JPRS 75082

6 February 1980

Latin America Report

No. 2104

FBIS FOREIGN BROADCAST INFORMATION SERVICE

NOTE

JPRS publications cortain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Indexes to this report (by keyword, author, personal names, title and series) are available from Bell & Howell, Old Mansfield Road, Wooster, Ohio 44691.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

50272-101

REPORT DOCUMENTATION PAGE	1. REPORT NO. JPRS 75082	2.	3. Recipient's Accession No.
4. Title and Subtitle LATIN AMERICA REPORT, No. 2104			5. Report Date 6 February 1980 6.
7. Author(s)			8. Performing Organization Rept. No.
9. Performing Organization Name and Address Joint Publications Research Service 1000 North Glebe Road Arlington, Virginia 22201			10. Project/Task/Work Unit No. 11. Contract(C) or Grant(G) No. (C) (G)
12. Sponsoring Organization Name and Address As above			13. Type of Report & Period Covered 14.

15. Supplementary Notes

16. Abstract (Limit: 200 words)

The serial report contains articles on political and sociological developments in major areas of Latin America, as reported primarily from Latin American newspapers and periodicals. It also includes information on major segments of Latin American economy, geography, culture, and ethnography.

17. Document Analysis a. Descriptors

Political Science
Sociology
Economics
Culture
Ethnology
Technological
Geography

___Inter-American Affairs
x Argentina
___Barbados
___Bolivia
___Brazil
x Chile
___Colombia
___Costa Rica
___Cuba
x Dominican Republic
x Ecuador
___El Salvador
___Guatemala
___Guyana

___Haiti
___Honduras
___Jamaica
___Mexico
___Netherlands Antilles
x Nicaragua
x Panama
___Paraguay
___Peru
___Trinidad-Tobago
___Uruguay
x Venezuela

b. Identifiers/Open-Ended Terms

c. COSATI Field/Group 5D, 5C, 5K

18. Availability Statement Unlimited Availability Sold by NTIS Springfield, Virginia 22161	19. Security Class (This Report) UNCLASSIFIED	21. No. of Pages 144
	20. Security Class (This Page) UNCLASSIFIED	22. Price

(See ANSI-Z39.18)

OPTIONAL FORM 272 (4-77)
(Formerly NTIS-35)
Department of Commerce

JPRS 75082

6 February 1980

LATIN AMERICA REPORT

No. 2104

CONTENTS PAGE

ARGENTINA

Ghioldi Advocates Political Reformation To Gain Stability
(LA PRENSA, 17 Jan 80)..... 1

Political Parties Prepare for Invitation to Dialog
(LA NACION, 12 Jan 80)..... 3

Sigwald Says Majority Polled Do Not Want Elections
(LA PRENSA, 16 Jan 80)..... 6

Commentator Endorses Position of Solidarity With West
(Manfred Schoenfeld; LA PRENSA, 10 Jan 80)..... 8

Strong, Weak Points of 'Political Bases' Defined
(Octavio Carranza; LA PRENSA, 13 Jan 80)..... 12

Labor Minister: New Law To Aid Union Normalization
(Llamil Reston Interview; CLARIN, 26 Jan 80)..... 17

Ullum Dam Is Officially Inaugurated
(LA PRENSA, 3 Jan 80)..... 19

Capital Goods Imports Rising
(LA NACION, 9 Nov 79)..... 22

Antarctic Population To Be Increased
(LA OPINION, 19 Dec 79)..... 23

Southern Provinces Facing Exodus of Population
(LA NACION, 23 Dec 79)..... 25

First Solar Energy Plant To Be Installed
(LA NACION, 4 Jan 80)..... 27

CONTENTS (Continued) Page

YPF Releases Record Production Figures
(LA NACION, 7 Nov 79)..... 28

Reportage on New Oil Developments
(Various sources, various dates)..... 29

YPF Bidding Program Announced
Oil, Gas, Electricity Production Up
YPF 1980 Investment Prediction
Neuquen Basin Exploration Planned

New Fuel Prices Going Into Effect Listed
(LA NACION, 4 Jan 80)..... 35

Provinces Demand Increase in Oil Royalties
(CONVICCION, 20 Dec 79)..... 36

Pen Signs $1 Billion Gas Pipeline Contract
(LA PRENSA, 5 Jan 80)..... 37

Lack of Policy Implementation Blamed for YCF Crisis
(CLARIN, 22 Dec 79)..... 39

IDB Grants Additional Funds for Salto Grande Project
(LA OPINION, 22 Dec 79)..... 42

Insufficient Depth in Port of Quequen Cited
(LA NACION, 30 Dec 79)..... 43

Used Auto Parts Imports Detrimental to Local Industry
(LA NACION, 2 Nov 79)..... 44

Ondarts Announces Six Additional Risk Contracts
(LA OPINION, 7 Nov 79)..... 46

Agricultural Sector Affected by Excess Rainfall
(LA OPINION, 26 Dec 79)..... 48

Forty-five Million Tons Predicted for Agricultural Production
(CLARIN, 23 Dec 79)..... 50

Port Efficiency Hampered by Lack of Grain Storage Capacity
(LA PRENSA, 30 Dec 79)..... 51

CONTENTS (Continued) Page

Minitrain Measures Solar Rays in Cornfields
(LA PRENSA, 30 Dec 79)..... 53

Briefs
CUTA Plagued by Internal Disputes 55
Videla's PRC Visit 55
Arms Control Measures 55
New Frigate 56

CHILE

Publicity Urged for Debate on Nation's Future
(Editorial, Emilio Filippi; HOY, 2 Jan 80)..... 57

Need for Social Mobilization Seen in Political Process
(Editorial, Jaime Castille Velasco; HOY, 2 Jan 80)..... 59

Guzman Said To Fear or Lack Faith in People
(Editorial, Patricio Aylwin A.; ERCILLA, 26 Dec 79).... 61

DOMINICAN REPUBLIC

Concern for Rising Petroleum Prices Evokes Various Measures
(Various sources, various dates)..... 63

More Oil Price Hikes Expected
Rising Costs Called Threat
Import Costs Much Higher
Alternative Energy Sources Sought, by R. Rodriguez Gomez
Oil Called Main Trade Obstacle, by Saul Pimentel
Price Increase Termed Threat, Editorial

ECUADOR

Oil Production Up by 7 Percent in 11 Months of 1979
(EL COMERCIO, 14 Jan 80)..... 72

Oil Sector Suffers Increased Consumption, Reduced Revenue
(EL COMERCIO, 16 Jan 80)..... 74

New Oil Well Found in Cuyabeno Field
(EL TIEMPO, 8 Jan 80)..... 77

CONTENTS (Continued) Page

NICARAGUA

Humberto Ortega Interviewed on FSLN Strategy
(Humberto Ortega Interview; BOHEMIA, 28 Dec 79)..... 79

PANAMA

PRD Political Platform Published
(CRITICA, 31 Dec 79)..... 113

VENEZUELA

Petroven 1980 Budget Calls for Heavy Eastern Exploration
(Various sources, various dates)..... 136

Two Hundred Wells Planned
Subsidiaries To Invest 8.5 Billion
Reserves To Be Increased

Briefs
Amacuro Delta Oil Exploration 140

GHIOLDI ADVOCATES POLITICAL REFORMATION TO GAIN STABILITY

Buenos Aires LA PRENSA in Spanish 17 Jan 80 Sec 2 p 7

[Text] Prof Americo Ghioldi declared: "When one considers that liberalism has permeated all of Argentina's history, and that the liberal way of thinking is a vital necessity at present; and, moreover, that socialism has produced social, political and legislative creations for resolving the major modern social problems, it befits us to ask whether such a comment implies, as it would appear to, that the only thing that has been successful in the country and that should be hailed as such, is Justicialist Peronism, a tempting electoral element."

He made this statement in response to the usual claim "of the present time, to the effect that liberalism and socialism have failed," during a fellowship dinner held at 2156 Austria, attended by members of "La Vanguardia" and the Silvio L. Ruggieri Cultural Center.

He then commented on the last 20 years of the 19th century, stressing that, during that period, there occurred "the constructive policies of 1880, the quantitative immigration, Law 1,420 and, also, the decadence and malformation of the oligarchical political power, and the presence of a new generation, with the advent of the Socialist Party, the founding of the School of Philosophy and Letters (the only institution of higher learning that did not intend to teach in order to earn money), the initiation of modern parties (Radical and Socialist) and the announcement of other historical protagonists, trade unionism and free cooperation, the former evolving decades later as a national, Sorelian trade unionism, in other words, fascist and vertical, with an intention of serving as a conveyor belt leading to the authoritarianism which emerged in 1945."

The Last 20 Years

He subsequently asked: "What have the last 20 years of this 20th century been like, relating exclusively to Argentina? In what condition shall we be at the start of the third millenium. Three millenia from Greece, somewhat less from Rome and two millenia completed since Christ, taking the paternal contributions of Western civilization, the reasoning the law and

Christianity. How shall we resolve, in our country, the conflict between primitive impulses and reasoned civilization, marked with justice and equity, and a constant ethical obligation for human renewal?"

In answering those questions, Professor Ghioldi emphasized: "We must solve two institutional problems in peace and with solidarity and tolerance: that of the stability of power, in other words, what makes it possible to elect rulers who would end up 6 years later without the shock of military coups; and that related to the need for modernizing and humanizing politics; in other words, preventing the country from ever again returning to the horrible years from 1973 to 1976. We emerged from a war, and from a policy and style of life which reflected and fostered decadence and anarchy up to the very brink of national disintegration."

He added: "During those years, the country was in danger of losing its identity as a way of life resulting from the historical process of the establishment of liberty, democracy and justice. There was an attempt to change our identity and to give us a different model for life that was authoritarian and totalitarian. Those were times of being or not being.

"The force lay in being, in the defense of the Argentine identity. Politics must be democratic, liberal, progressive and just, without any ingredients of pseudo-leader personalism, without penetrating the trade unions in the style of Mussolini, without fascist folklore, without the execution of plans for struggle made by constant advocates of political disintegration."

Then he stressed the fact that, "The power should not be split, as occurred in 1973 after the agreement made at the 1972 fellowship dinner. Now we must consider in solidarity the initiation of another historical cycle, which we must consider concretely, and accept."

Dialog

In commenting on the forthcoming talks between the Armed Forces and the political parties, he said: "I hope and wish that, by means of dialog, the possibilities of an efficient solution will be explored. The parties should have freedom for being present and acting; because, without that situation, there will be no starting point, even though bases may be announced. It should be noted that the government has made no contribution whatsoever to the indispensable clarification (without rancor, but with much genuine conviction) of the political, social and cultural system which led us to the institutional collpase and the impoverishment of life. This requirement of moral and civic training is a prerequisite for any attempt at self-improvement."

Finally, Professor Ghioldi urged "working during the next promising years with a great cause: on behalf of the reconstruction of the liberal mind and heart, and the untiring promotion of the socialist impetus for justice, liberty and democracy. And let us consider our problems with a dramatic consciousness rather than with an ideological spirit, because good and evil are included in the same inalienable breast."

2909
CSO: 3010

POLITICAL PARTIES PREPARE FOR INVITATION TO DIALOG

Buenos Aires LA NACION in Spanish 12 Jan 80 p 12

[Text] While the talks continue at the Government Residence between the president of the nation, the minister of interior and the secretaries from the presidential area to decide on aspects of the instrumentation of the Armed Forces' political bases for the national reorganization process, the political parties (even though some of them have already expressed views) are also analyzing the immediate steps that they should take in preparation for the potential summons to the dialog by the national government, one which it is claimed will begin in March of this year.

However, the two groups which boasted the largest amount of representation up until March 1976 (the Justicialists and the Radicals) have not expressed any views in a document, although leaders of both groups have made personal statements.

Of course, these statements must be taken into account when top-ranking leaders are involved, because their opinion could not differ greatly from the party's pronouncement.

Radicalism and Justicialism

Despite the fact that no document has been issued, both the Radicals and the Justicialists have taken due account of the proposal, and it has just been learned that they decided that the coordinating committee in the case of the former, and an entity known as one "of jurists" in the case of the latter, are to begin deliberating and are to submit their findings to the respective party authorities who will, in the end, be the ones to make the decision.

After being apprised of the document, the coordinating committee of the Radical Civic Union resolved to postpone its discussion until next month. According to a qualified spokesman for that group, "The Radicals might well take 2 months to analyze a document for which the Armed Forces took nearly 4 years."

The members of the Justicialist Party entity also decided to postpone the analysis of the political bases, although the statements made by some of its leaders indicated that the pronouncement would be unfavorable.

However, there are Justicialist sectors that are willing to hold a dialog with the government, if they are called upon to do so. This is the attitude of the members of the so-called intermediate generation who, although they do not have the party's opinion on the official leadership level, will reportedly express their position this weekend.

As for the Radical Civic Union, the personal statements of its leaders have coincided in stressing "an expression of democratic intent in the methods to be applied;" but the reservation is made that it will be the instrumentation that will lend substance to the content. Of course, there are some sectors which, without failing to admit that this is an important step, have brought up essential questions.

Partisan Views

The first pronouncement on the partisan level was that of the Intransigent Party which, as might have been expected, voiced its disagreement with the proposal.

Opposition to the proposal was also expressed by the Integration and Development Movement, in a document bearing the signature of Arturo Frondizi and Rogelio Frigerio, among others.

But, as usual, the group concentrated its criticism on the economic process, yet without going into detail on the political area. They maintained that dialog would be difficult, because if the government attempted it, "it would receive demands and protests as irate as they were legitimate from the classes, sectors and organizations affected by the crisis."

The first support (partial, but after all support) came from the Popular Federalist Force. In fact, the provincial parties which do not reject the possibility of contributing their organization to the downfall of the process, came out in favor of the spirit of the political bases, but explained: "It is in the area of practical implementation that one will be able to assess the degree to which a genuine convergence stems from those principles."

Through its top-ranking authorities, the Progressive Democrats also came out in favor of the document, as did the Christian Democratic Union and Christian Democratic Action.

On the other hand, opposition was expressed by the Argentine Socialist Confederation and the Popular Leftist Front.

The final pronouncement from the Christian Democratic Federation also still remains to be disclosed, but the members of the Popular Christian group

will have to solve their differences first. It should be remembered that, whereas the Allende sector favors dialog and convergence, the Vedia sector rejects any attempt at dialog.

In addition to the aforementioned pronouncements by the parties, other entities have also made them, such as the Society for Studies and Citizen Action which, for the most part, backed the document. There were also some personal statements made by former national officials.

2909
CSO: 3010

SIGWALD SAYS MAJORITY POLLED DO NOT WANT ELECTIONS

Buenos Aires LA PRENSA in Spanish 16 Jan 80 p 1

[Text] Cordoba--The governor, Gen (ret) Adolfo Sigwald, announced: "During 1980, the dialog with all sectors will be intensified, but with the political sector in particular. We are awaiting the guidelines that will be issued by the president of the nation, Lt Gen (ret) Jorge Rafael Videla, at the governors' meeting which will take place during the second half of March." He also reiterated the fact that the doors of his office are open to politicians and trade unionists who would like to converse with the governor, if and when they come representing themselves. He likewise claimed that the government of Cordoba holds dialog with all sectors, and that those who wish to bring up issues of a political, economic and social type will find the doors of the governor's office open. On another topic, he noted that he would not retire from the position until the president of the nation so decides.

In statements made to University Radio LW-1, the head of the provincial executive branch remarked: "Just as I accepted the post when it was offered to me by the president, because at the time I thought, as i do now, that those of us who jointly involved in the process should work together with him, in the same way, when the governor has to retire it will be the president himself who so orders."

Democratic Person

In response to a question, the governor described himself as a democratic person, commenting: "This position is based on principle and on the education that I have received in our country, which will return to the democracy that we desire because that is the intent of the fundamental goal of the current national reorganization process." Upon being queried about the possibility of a civilian's being his successor, he said: "I am not a prophet; otherwise, I could answer with assurance. What I can claim, as the members of the government Military Junta and the president himself have stated, is that civilians will gradually become included in the current national leadership; and hence the appointment of a civilian governor. although it may not be immediate, could prove to be a real fact."

Furthermore, he said: "I would like to add that we in the military are citizens too, and therefore we may participate in the government's leadership in the future as well." He noted: "There are members of the miliary who have political ambitions, but, let me make it clear, they are good political ambitions; and their service in public office could also result in a good performance on behalf of the community."

Poll on Elections

Finally, he reiterated the fact that the results of a poll taken in Cordoba had shown that "85 percent of the population does not want elections at present; and two other polls showed that 90 percent of those queried feel that there is total security in the country, and a still large percentage claim that there is total legal security."

2909
CSO: 3010

COMMENTATOR ENDORSES POSITION OF SOLIDARITY WITH WEST

Buenos Aires LA PRENSA in Spanish 10 Jan 80 p 7

[Article by Manfred Schoenfeld: "The Time Has Come for Our Country to Establish Its Position Internationally"]

[Text] In the realm of international policy, the need for a country to take a stand in one direction or another sometimes occurs far more peremptorily than one might have imagined, and with respect to situations which, ostensibly, have little or nothing to do, at least immediately, with the nation in question.

Such is the case in the position that Argentina must assume (clearly, and without succumbing to distorted proposals or lukewarm plans) toward the current crisis that the world is experiencing due to the invasion of Afghanistan by the Soviet Union, and the appeal from Washington to oppose that invasion with a collective economic sanction: namely, among other measures that have been called for, a boycott of the Soviet grain import market.

Since an embargo on North American wheat sales to the Russians is one of the few (peaceful) truly effective means that Washington has at its disposal of exerting pressure on the Kremlin, it is obvious that the effect could not occur as anticipated if Moscow had alternative sources of supply. Thus, Argentina's status as a traditional grain exporter takes on unexpected significance with regard to the Afghan crisis. If we participate in the boycott proposed by the United States, the pressure on the Soviets will be increased, possibly forcing them to yield and even partially withdraw from the country which they have virtually annexed. If we not only fail to participate, but also try to accrue commercial benefit from the situation, by offering the Soviet Union to make up for part of the shortage of imported grain that it would suffer, we shall be helping communist imperialists to retain their vanguard positions in central Asia, in the vital region near the Persian Gulf, and on the path which, slowly but surely, leads to the desired goal of Moscow to reach the coasts of the Indian Ocean.

A Simple Option

The option should actually be extremely simple: Our obligation as a Western nation governed by a regime which calls for the institutionalization of its anticommunist stance, and whose society has suffered deeply from the gory onslaughts of subversion led and financed, whether directly or indirectly, by Moscow, can only lie in one direction.

It is that of solidarity not so much with the cause of the United States (since it would not be an act of automatic obedience to a request made by Washington) as with our own cause, namely, that of the West. We did not act otherwise when the historic "missile crisis" during President Kennedy's time was involved. When we responded with units from our Navy to aid the North Americans in the blockade of Cuba we were not defending the interests of the United States, but rather those of the American continent, that is, Argentine interests as well.

Today, the circumstances would appear to be different, but only in degree. It might be argued that the attack on Afghanistan does not affect the Western hemisphere in a direct, tangible, territorial manner. But several decades have elapsed since the days of the missile crisis, and during them the world has been overcome by a new kind of chronic state of international emergency, more dangerous than the one that could be triggered by the installation of launching pads for ballistic missiles. We are referring to the energy crisis, the problem of oil which affects all the nations of the world to a greater or lesser degree.

Episode in a Struggle

The invasion of Afghanistan should be interpreted as one of the episodes (not the first, but unfortunately by no means the last) in the struggle for possession of the main sources of supply of liquid hydrocarbons located in the area adjoining the Persian Gulf. In the final analysis, it even affects those countries (like our own) which, with a little additional effort, could become self-sufficient with respect to oil. Because, in addition to the fuel supply, other interests are at stake: the stability of the leading Western industrial powers with whose import and export markets we are closely associated, and on whose technological and financial contributions, and those in the area of supplies of capital goods and essential elements for the expansion of our infrastructure, our development plans depend to a large extent.

Moreover and despite the frequent differences (commercial competition that is not always fair and lack of consideration on the part of North Americans as well as West Europeans for our rights and interests as a traditional exporting power), we are nevertheless an indissoluble part of the Western world. Now then, that is not only proclaimed, but the time has come to give tangible evidence of it. For example, in this instance, wherein the Soviet threat is being systematically aimed at the Indian Ocean, from where it will be transferred to the realm of the ocean routes leading to the

Atlantic (both North and South), ending in Moscow's ambitions for overall hegemony insofar as control of the seas of the world is concerned, which in the end would not exclude our maritime coast, nor its vast natural resources and other areas related to our sovereignty.

All of this must be taken into account in order to understand that something far more important (with a view toward the future) than a mere grain sales transaction is involved here. In other words, in reaching a mutual agreement with Washington and other Western powers on a certain policy toward the undeniable Soviet expansion, Argentina would not be serving anything other than its own national interests, considered over the long term.

The Commercial Aspect

Obviously, the commercial aspect cannot be excluded, in view of the fact that the Soviet Union is an excellent market for our corn, wheat and forage. It is clear that a country which is in the process of economic recovery such as Argentina cannot afford to boycott such a market without having, for the present, absolute assurance that this boycott will be carried out strictly by the United States itself, and by its other Western allies which export (or reexport) grain. In this regard, the measure announced by President Carter was marred, at the outset and as has been the case in many of his positions on international matters, by a certain amount of weakness and lack of determination. The statements made by Vice President Mondale (to the effect that the Soviet population would not undergo hunger as a result of this) are gratuitous. If a nation decides to adopt a hostile measure based on reasons which are supposedly justified, it is not necessary to surround that intention, which should be clearly voiced, with a halo of pseudo-humanitarianism. (Besides, it does not matter to the Soviets if, owing to their massive armed invasion and the massacre of the Afghans, who are arriving in huge numbers as refugees in Pakistan for a reason, the population of the country that they have annexed might experience hunger, or any other population in the world, in which they have acted as invaders and instigators of civil war or armed subversion.)

As for the limitation of the embargo to volumes exceeding the annual quota (agreed upon up until 30 September 1981) of 8 million metric tons of wheat and corn, this is obviously inadequate for the purposes that President Carter and his government are trying to attain. Either there is an embargo on it all, or there is no embargo; or, at least, one cannot expect other exporting countries (ours, for example) to adhere to an embargo which is only partial insofar as the United States is concerned, and is quantitatively regulated by its domestic convenience and its chances for financing through tax funds.

Furthermore, it is evident that Argentina should expect from the United States treatment at least as equitable as that which Washington intends to give to its own producers. Insofar as the part of our surplus grain originally destined for the Soviet market cannot be absorbed by other markets without obstacles, we should be guaranteed compensation; and, even

more important than that, a formal agreement should be concluded to put an end to the destructive North American practice of allocating the United States' surpluses for sales of a humanitarian nature, below market prices, at the expense of the interests of the traditional exporters.

In any event, it is preferable to grant assistance (through loans on generous terms) to the hungry nations, so that they may purchase the grain that they need at market prices. At the present time, the mere possibility of an additional accumulation of North American surpluses (due to the announced partial embargo against the Soviets) has had a depressing effect on future prices.

One of the conditions that we should impose for adhering to the embargo is the temporary suspension of the charitable sales.

But this a matter for transaction. What is important (and far more important) is that our government make a clearcut statement regarding the cause that it is defending, and the one to which it belongs. As we have said, it is not a matter of what suits the United States or not, but rather the Western world, in the broadest sense of the term

It is a matter of putting up a barrier against communist expansion.

2909
CSO: 3010

STRONG, WEAK POINTS OF 'POLITICAL BASES' DEFINED

Buenos Aires LA PRENSA in Spanish 13 Jan 80 Sec 2 p 1

[Article by Octavio Carranza: "Lights and Shadows of the Political Bases"]

[Text] The most praiseworthy aspect of the political bases announced by the government, after 45 months of its administration, unquestionably consists of the Armed Forces' adherence to the legal values adopted in the National Constitution: "The content of the preamble and the rights and guarantees established in the first part of the National Constitution are a doctrinal creed and a source of constant inspiration for the process of national reorganization."

This being the case, many concepts in the lengthy document which, for its benefit, could have been more brief and concrete, especially in the expression of values and principles which are expressly or implicitly stated in the Constitution, have become redundant; and the programed description of the government's practical goals in the area of state action could also have been eliminated.

Since the real force of the Constitution has been weakened since the first government of Hipolito Yrigoyen, and virtually supplanted years later by the system of corporative, nationalizing, interventionist and collectivist inspiration established by the Peronists, there is no doubt that the current historical situation demands, purely and simply, the sincere, thorough reestablishment of the wise Constitution; which is tantamount to proclaiming the need for a total dismantling of the unconstitutional structures erected after 1946.

To be sure, it is not a matter of reestablishing the operation of the representative system now, since the causes which brought about the emergency whereby the Armed Forces were obliged to take power in March 1976 still exist.

Nor is it a matter of denying or diminishing the Armed Forces' exercise of the revolutionary powers assumed because of the national emergency in order to restore legal and moral order. The nature and scope of those powers

involve the issuance of the necessary regulations for directing the government during the revolutionary interregnum and for attaining the goal of national reorganization, consisting of the restoration of the fundamental legal order that has been infringed upon over several decades of degrading, demagogic populism.

Another constructive aspect of the political bases is related to that restoration, namely, the affirmation of the principle of subsidiary status: "The state must cease to do what private enterprise is capable of doing by itself; it must help to do or promote what private enterprise is unable to do by itself alone; and it must do what private enterprise cannot, does not want to or should not do." Despite that fortunate proclamation, the practical implementation of the principle leaves much to be desired; because,after nearly 4 years of military government, most of the state enterprises still exist, and the state's penetration of the economy still exceeds 50 percent, a situation which has kept public spending on an intolerable level, and hence has perpetuated the inflationary phenomenon.

With regard to the defense of the fundamental legal order, the intention of preserving the rights and liberties from the harmful action of what the document calls "demagogic and anarchistic populism" is also laudable. The Military Junta proclaims: "The totalitarian ideologies will be completely excluded, and the intention of fomenting the class struggle, collective ownership of the means of production, the excessive glorification of the person of the leaders, partisan politicization of the large state institutions and of the intermediate organizations, and the use of public office for personal gain will be considered unacceptable."

The acceptance of the principle of legitimate defense of the constitutional order should necessarily lead to the banning of the totalitarian parties, but the document remains silent on this issue, confining itself to maintaining: "The political disqualifications that are established will be selective, and imposed by the judicial branch, without detriment to the inherent powers of the Military Junta."

In this respect, the political bases seem reticent and ambiguous. The president of the nation has stated: "There will be no place for Peronism, as we know it;" but at the same time it has been learned that prominent personages from the deposed government were consulted during the period when the bases were prepared, and the Justicialist leaders are still acting politically, as if they had had nothing to do with the national catastrophe which they produced.

The document softpedals the cardinal point in the recent decades of Argentine history: It ignores the fact that Peronism has been the cause of the material and moral disaster in the country, that it has weakened the republican institutions, upset the economy, kindled the class struggle, organized and fostered subversion and terrorism, infected most of the other political movements and established a system of a totalitarian and collectivist nature producing national decadence. Since the road to hell is

paved with good intentions, republican oratory will be worthless if we forget the lessons of the shameful past that we have suffered.

Inasmuch as the main purpose of the process is to "restore the essential values" and establish a federal, representative, republican democracy, the starting point must be recognition that the notion of Peronism, as Sebastian Soler has recently stated, is totally unreconcilable with democracy. In other words, there will be no restoration of democracy unless Argentine society is rid of the unhealthy totalitarian "movement" created by Peron; just as the Germans did not hesitate to ban the National Socialist and Communist Parties because they run counter to free, democratic, constitutional order.

Naturally, the legal ban on Peronism has its necessary counterpart in the elimination of the "backbone of the movement," that is, the fascist trade union organization based on the single union. Nevertheless, the single union has been retained in the recent law on professional associations.

Only after a ban on the totalitarian parties and the complete reestablishment of the workers' freedom of association stipulated in Article 14a of the Constitution would it make sense to demand of the democratic parties "adherence, without reservations, to the fundamental principles contained in the National Constitution." Otherwise, the first ones to be entered on the list of adherents will be the totalitarian parties, and we would again succumb to the frustration of another military government.

The hesitancy in the political bases regarding the legitimate defense of constitutional order may result from a desire for caution; and, from that standpoint, there is still hope for the timely, real, effective exclusion of the totalitarian organizations. On the other hand, the bases enter a dangerous area of shadow when they discuss the type of government and the possibility of the institutionalization of the Armed Forces' power.

In the chapter entitled "Institutional Area," the stipulation is made that: "the national executive branch will be unipersonal, and must have the necessary and sufficient qualifications with which to exercise its powers;" that: "the national legislative branch will be bicameral, really independent and comprised of representatives who meet the requirements of suitability and responsibility;" and that: "the provincial authorities will have features similar to those of the national authorities," although "a unicameral legislature would be desirable."

Those guidelines apparently entail a reform in the second part of the National Constitution and the provincial constitutions, which would not be in keeping with the conditional tone used in the next to last paragraph of the document: "If the indispensable need should arise to reform instrumental aspects of the Constitution, it would only result from the requirements created by the development of the process of politicoinstitutional normalization."

In this regard, it befits us to make a distinction between the revolutionary powers stemming from the emergency and the constituent and preconstituent powers needed to make a reform in the Constitution legitimately. The time frame for validity of the former with respect to the instrumentation of power is limited to the duration of the interregnum of the de facto government; while the latter are reserved exclusively for the people's sovereignty. A disregard for this distinction could lead to the senseless mutilation of our perfect Constitution, through the usurpation of the constituent power.

If the reforms of "instrumental aspects" are to be confined to temporary regulations leading to the reestablishment of the representative institutions, there is no reason for any comment; but if it should occur to any deluded legal adviser, and they have not been absent from any de facto government, to demolish the second part of the legal monument established in 1853, and if he should be imitated in the realms of military authority, this would repeat the serious mistake made by the so-called Argentine Revolution, which adulterated the Constitution, with the disgraceful results that occurred starting on 11 March 1973.

The unpardonable error of the superficial or reactionary advisers who insisted on the change in the type of government adopted in the second part of the Constitution consisted of ascribing to the constitutional regulations the status of causes for the misfortunes that were suffered. For example, the "Fundamental Statute," signed by President Lanusse on 24 August 1972, reduced the terms of the president and the vice president to 4 years, and changed many constitutional rulings associated with the operation of the Legislative Branch. In the light of the experience from the subsequent years, the folly of those fleeting and improper reforms, whose inefficacy and irrelevance must be measured by the magnitude of the chaos which beset that military government, becomes quite clear.

As Soler comments so brilliantly: "What has failed in our country, what has become morally corrupt in an unpardonable manner, is the group of leaders, the group of representatives, without whom there can be no representative republic." Hence, it is not the type of government that must be changed; but rather the individuals, the leaders, "whose political soul is befouled."

The so-called institutionalization of military power, conceived obscurely in the following terms, could prove no less dangerous and detrimental: "In their institutionalized intervention in the government, the Armed Forces will have authority in the making of decisions for directing national strategy, national security and the defense of the National Constitution." If this were an attempt to introduce the co-government of the military and the representatives elected by the people into the Constitution, it would weaken the essence of the republican system, whereby the sovereignty lies with the people, and is exercised by the representatives; in other words, the system whose preservation the first part of the very document being analyzed cites as its main goal. What is proper is to subordinate the military power to the institutions and to the government that has been

legitimately elected by the people; although, at the same time, it may be correct that there is no institution which can withstand, unharmed, the inoculation of populist, demagogic poison.

As I remarked in this column on another occasion, whatever system of representation they wish to decide upon, the unsettling tide of populism will return if the factors which support it are not first eliminated.

2909
CSO: 3010

LABOR MINISTER: NEW LAW TO AID UNION NORMALIZATION

PY301604 Buenos Aires CLARIN in Spanish 26 Jan 80 p 9 PY

[Undated interview with Labor Minister Llamil Reston in Mar del Plata]

[Excerpt] [Question] Mr Minister, regarding union matters this is a different year. What are the initial reactions to the new union law?

[Answer] Undoubtedly this will be a different year considering that the law of union associations has been approved and that the regulation of this law must be promulgated by March at the latest and has already been submitted for the consideration of the president. This law will expedite union normalization, and the government is particularly interested that this be done as soon as possible--that we put an end to intervention in union organizations in the same manner that we hope to put an end to intervention in union organizations in the same manner that we hope to put an end to the freeze on business and professional organizations. As you know, the law establishes a fixed schedule in some cases but is flexible regarding its authority to enforce it. The work is very hard and intense. Considering that there are now more than 1,118 unions and approximately 50 to 60 federations, reviewing all their areas of jurisdiction, including the new unions created as a result of the new law, is a task which demands a lot of time.

We believe that union officials are studying the new law and analyzing how they are going to adjust their structures to the law. The first task of union associations is to request areas of jurisdiction, and this has a deadline of the end of February. Once this requirement has been fulfilled, government officials will study the requests of the union officials to see if they comply with the law.

[Question] Is there a comprehensive picture of union requests?

[Answer] When I came to Mar del Plata, there had been practically no requests for jurisdiction, except by 10 or 11 unions, most of which had suffered intervention. That is to say, there have not been enough requests

for a picture to emerge. But this is not a concern, because only a third of the period has elapsed, and according to conversations I have held with some leaders, the majority will fulfill this requirement within 90 days.

[Question] Will a new stage of dialog with the unions be started when you return to Buenos Aires? Are there any preparations in this regard?

[Answer] Dialog has never been interrupted. It is rather a question of planning a series of meetings with union leaders to hear their concerns about the enforcement of the law and its regulation or how it can be implemented. I notice a kind of reluctance of union leaders to meet with the labor minister, a reluctance I do not understand because the minister or high ranking officials of the ministry have been more than willing to discuss union leaders' problems.

[Question] Do you see this reluctance as a political matter or as merely a technical matter?

[Answer] This reluctance can be linked with the personality of the minister, to whom some have atrributed extreme harshness and others not so much. I personally believe that this is the product of a lack of knowledge.

CSO: 3010

ULLUM DAM IS OFFICIALLY INAUGURATED

Buenos Aires LA PRENSA in Spanish 3 Jan 80 p 10

[Text] San Juan--The Ullum impounding dam was officially inaugurated yesterday with the activation of the gigantic valves that control the flow of the San Juan River. It is the most important hydraulic project ever built in the province, and the contracting firm is scheduled to complete delivery next September.

The inauguration ceremony was presided over by the governor, retired Brig Angel M. Zamboni, and attended by civilian, military and church authorities and the general public, including a large number of growers.

The valves were activated by the San Juan governor and Economy Minister Oscar Coria Jofre. They regulate the flow at a constant 50 cubic meters a second, while the rest of the river's waters are impounded in the reservoir, which has a capacity of 440 million cubic meters. As the dam went on line, the water covered a surface of about 550 hectares, with an estimated volume of 35 million cubic meters.

Technicians had calculated that after the first 5 days of impounding the reservoir would contain 24 million cubic meters, which turned out to be low. We should note that the San Juan River was measured yesterday at 61 cubic meters a second, compared to 247 recorded on the same date last year.

The general vicar of the archbishopric, Monsignor Antonio Lopez Soler, delivered an invocation thanking God for the completion of the project.

A view of the dam that went on line yesterday in the province of San Juan. The reservoir will have a capacity of 440 million cubic meters.

The scene as the first valve at the dam was activated

8743
CSO: 3010

CAPITAL GOODS IMPORTS RISING

Buenos Aires LA NACION in Spanish 9 Nov 79 p 17

[Text] An analysis made by the Secretariat of Industrial Development of data furnished by the Central Bank indicates that a considerable increase in capital goods imports was recorded this year. Thus although the figures are provisional, it is estimated that this type of foreign purchase will amount to $337 million for the third quarter of this year, as opposed to $166 million of capital goods imported during the same period last year. This means that an increase of approximately 103 percent will have occurred.

According to reliable sources, this increase is caused by the need for industrial equipment with the growing demand for modernization and by the recently extended exemption from customs duties, which allows this type of goods to be imported without paying import duties in the event that they are not produced in the country.

On the other hand, the customs reduction provided in general for capital goods produced locally, in accordance with Resolution 493 which provided for placing import duties at the level stipulated for the last rung of the customs reform, may also have contributed to this growth of imports, although as stated, it is still too early to judge the real effect of this measure, since in most cases it would not be possible to determine whether purchases made in the third quarter will have an effect in future months.

It is also observed from the statistical series that imports of these goods were higher in all months recorded last year, with the exception of January (the exemption from customs duties was granted on 20 December), whose figure is similar to that for January 1978.

The month which recorded the largest capital goods imports was August, with $12 million, and the one with the least capital goods imports was February, with $50 million. In contrast, the greatest imports in 1978 occurred in December, with $81 million, and the least in February, with $11 million.

11915
CSO: 3010

ANTARCTIC POPULATION TO BE INCREASED

Buenos Aires LA OPINION in Spanish 19 Dec 79 p 15

[Text] In 1978 and 1979, 18 families went to live in Fort Sargento Cabral, the first community in Argentina's Antarctic sector, whose population will increase in 1980 as 14 more families settle there.

The data were provided by the Antarctic commander of the army, Col Jose Maria T. Vaca, who reviewed the development of the community organized by the army in the Antarctic. He recalled that the Argentine Republic has five bases in the Antarctic that provide logistic support for scientific and technological work, and he made special mention of Fort Sargento Cabral, located on Esperanza Base.

A civil and religious marriage and four births (three boys and one girl) took place there this year; primary school and kindergarten classes were taught, and a day care center was also in operation. Jesuit priest Buenaventura de Fillippis served as the superintendent of studies and attended to his parish during these 2 years. The Pariggios, both of whom are doctors, ran the Cruz del Sur Hospital, and the Radio Nacional Arcangel San Gabriel radio station, which is under the Secretariat of Communications, was inaugurated. Despite its low power, it was heard in the United States.

In 1978, 8 families with 12 children settled there, and this year brought 10 more families with 12 children. The 14 families that will be settling there next year have 17 children.

"The families are adapting just fine," said Colonel Vaca. "There were no illnesses, and the women in the group are working as assistants at the base and, most importantly, taking care of their own families."

He also pointed out that the children are assimilating the knowledge being imparted to them and have easily overcome the contingencies of the Antarctic.

The wife of 1st Sgt Francisco Irineo Sosa, who gave birth to Francisco Javier on 11 October in Antarctica and who is the mother of three other children (Mariela, 7; Juan Manuel, 3, and Marcela, 2), stated: "It was a very positive experience. The environment is very clean, even though the climate is difficult."

Father Fillippis said: "Here in this unpolluted place you rediscover man with a capital M, the real Argentine man, with his enduring values. This rediscovery makes us realize that this should not be happening only in Antarctica; all of us Argentines have to meet again on the road to greatness."

8743
CSO: 3010

SOUTHERN PROVINCES FACING EXODUS OF POPULATION

Buenos Aires LA NACION in Spanish 23 Dec 79 p 18

[Text] Perito Moreno, Santa Cruz--"Last year 30 percent of the population left here, and the exodus is continuing." The assertion by the president of the Chamber of Commerce, Industry and Production is categorical, as he points out that 600 persons in all emigrated, with no more than 1,600 persons remaining, most of whom are looking for other jobs and means of subsistence.

As is the case in the Chubut border zone, there are towns, such as this one in northwest Santa Cruz, with a rapidly thinning population. The phenomenon has been observed for years now, but there has been no success in checking it. The people first head down to the coast and then up to the urban belt whose center is Buenos Aires, with no permanent solution in sight. Ignacio Mario Gevirtzman, the president of the Chamber of Commerce, goes over the statistics that worry him and all of the region's inhabitants and clarifies that the exodus is also due to the high cost of living and to poorly paid jobs.

""Heating bills," he says, "take up more than 50 percent of the family budget, and some salaries among municipal employees (the public administration is the main source of jobs) are a mere 350,000 pesos." Firewood is prohibitively priced, and container gas is more expensive than elsewhere in the country. In any case, this is only one aspect of the situation.

Because of its natural conditions, Perito Moreno has a great potential to become a major farming center. The land is good, but more irrigation water and electrification are needed. In the judgment of the municipal government secretary, Hector Chersenaz, a number of the small farms were abandoned because the former owners grew old and the new settlers did not find any timely incentives to continue working. "You can even notice that we lack an intermediate generation here, because the young people have taken off," he notes.

The people tried to come up with solutions. On various occasions over the years they have sent messages to the authorities. "At the provincial level, aside from meeting with the governor several times in Rio Gallegos, we have sent him three telegrams asking him to come here, because the situation is untenable," states another member of the Chamber of Commerce. He adds: "We wrote to the interior minister 2 years ago and handed him the note at a governors' meeting. Three months ago, at the inauguration of a bridge in Los Antiguos, we gave him a copy of the note, but we have still not gotten an answer."

Perito Moreno is just a few kilometers from the border. Merchants say, however, that "the border law is not being enforced here, and thus people in the areas where development zones and preferential measures were established are paying the same or higher taxes than in some cities. You would not only have to pay the same tax to build a house here as in Mar del Plata, but you would also have to come up with more money to do it."

8743
CSO: 3010

FIRST SOLAR ENERGY PLANT TO BE INSTALLED

Buenos Aires LA NACION in Spanish 4 Jan 80 p 3

[Text] Tel Aviv, 3 January (EFE)--Argentina will be the first country in Latin America to install a solar energy plant to produce electricity, based on technology developed in Israel.

Serge Ben Kimum, an official from the Israeli company, ORMAT, announced that, 2 weeks ago, in Buenos Aires, he signed an agreement whereby Argentina will purchase a "large turbine," although he declined to disclose its production capacity.

ORMAT designed the turbines for the newly opened solar energy plant in Ein Bokek, adjoining the Dead Sea, with a daily production of 150,000 kilowatts of electricity.

Ben Kimum reported: "Up until now, we have exported 150 gas turbines for telecommunications to the Argentine Republic, but this latest one will operate by utilizing the sun."

The leading importer of Israeli turbines is ENTEL (National Telecommunications Company). Ben Kimum said that his company had been dealing with Argentina since 1969.

He declared: "To date, most of our turbines have been used to feed radio and television stations."

The official reported that Argentina also produces solar collectors to heat water for household use, based on Israeli technology.

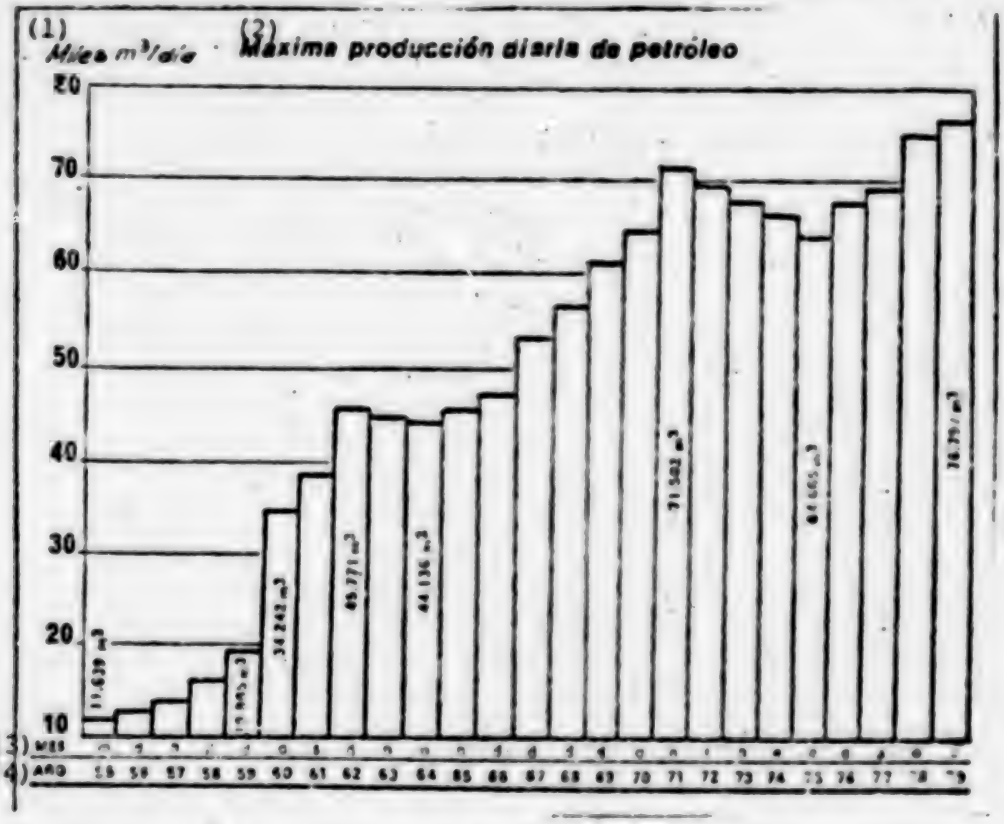
Ben Kimum was one of the representatives from ORMAT, which has its headquarters in the southern city of Beersheva, "capital of the Negev Desert," at a symposium on the Argentine-Israeli trade, held the week before in Tel Aviv.

The symposium, sponsored by the Argentine Embassy, was attended by 80 Israeli business owners interested in promoting their exports.
2909
CSO: 3010

YPF RELEASES RECORD PRODUCTION FIGURES

Buenos Aires LA NACION in Spanish 7 Nov 79 p 16

[Text] The state company Government Oil Deposits [YPF] announced yesterday that it had broken its historical oil extraction record. YPF reported that last month's average daily production amounted to 76,797 cubic meters, which exceeded the highest previous record, dating back to October of last year with 75,138 cubic meters average daily production. It should be pointed out that production has risen since 1975 when the largest drop of the decade, with daily production of 64,665 cubic meters, was recorded. The decline in production began in 1971 when an average of 71,502 cubic meters were extracted.



Key: 1. Thousands m^3/day
2. Maximum daily petroleum production
3. Month
4. Year
m: March, d: December, n: November, s: September, f: February, e: January, a: April or August

11915
CSO: 3010

REPORTAGE ON NEW OIL DEVELOPMENTS

YPF Bidding Program Announced

Buenos Aires LA NACION in Spanish 3 Jan 80 pp 1, 20

[Text] Yesterday, Government Oil Deposits [YPF] announced its bidding program for the year now beginning. A total of 14 calls for bids is planned, eight of which will be for areas subject to "risk" contracts, and the rest will relate to primary and secondary exploitation work. At the same time, the head of this company, Capt Manuel Lopez Alvarez, announced that YPF plans to make investments amounting to 70 billion pesos this year. The Secretariat of Energy, for its part, issued a resolution to prevent the waste of natural gas in the oil deposits throughout the country.

Bids

This year, YPF will hold risk contract bidding on the following areas: San Jorge (northern and central), Llancanelo (Mendoza), Rio Negro Norte (Neuquen), Rio Juramento (Salta), Ledesma (Salta), Las Brenas (Chaco) and Magallanes Este (offshore).

The areas to be bid on for exploitation are: the coastal belt of Comodoro Rivadavia, Los Perales-Lomas del Cuy (Santa Cruz), Canadon Amarillo (Neuquen), San Roque (Neuquen), Cacheuta (Mendoza) and Cerro Wenceslao (Santa Cruz).

The bidding on the San Jorge and Llancanelo areas with risk contracts will be called this month, and awarded in March and April, respectively. The Rio Negro Norte bidding will be called in March and awarded in July; that for Rio Juramento will be called in May and awarded in September; that in Ledesma will be called in July and awarded in November; that in Las Brenas, in the Chaco, will be called in September and awarded in January 1981; and that in Magallanes Este (offshore) will be called in November and awarded during the first quarter of 1981.

This month, the bidders will be convoked for the exploitation areas of the coastal belt of Comodoro Rivadavia and Los Perales-Lomas del Cuy, and the contracts will be awarded in March and April, respectively.

Canadon Amarillo will be bid on in April and the award will be made in July; San Roque will be bid on in June and the award made in October; Cacheuta will be bid on in April and the award made in December; and Cerro Wenceslao will be bid on in October and the award made in January 1981.

Investments

Salta (NA)--Government Oil Deposits has planned for this year an investment of 70 billion pesos, according to a disclosure made here by the state company's marketing director, Capt Manuel Lopez Alvarez.

The official, who visited Salta on an inspection tour, revealed that the production of carburetants from by-products of sugar cane "is regarded only as an alternative held in reserve," owing to the fact that the current price of alcohol is higher than that of gasoline.

As for YPF's sales in 1979, he stressed that, "Insofar as carburetants and fuels were concerned, the marketing increased 10 percent, meeting 75 percent of the national demand."

Oil, Gas, Electricity Production Up

Buenos Aires LA NACION in Spanish 4 Jan 80 p 5

[Text] During the first 11 months of 1979, the production of oil, gas, coal and electrical power showed records exceeding those for the same period of the previous year. It should be noted that, as a result, the volumes of oil imported declined, but the outlays in foreign exchange for this item were larger, owing to the increase in crude prices on the international markets.

Oil

The cumulative oil production during the first 11 months of 1979 totaled 24.9 million cubic meters, and hence exceeded the 1978 figure by 4.4 percent. Last November, 2.3 million cubic meters were extracted, with an average daily production rate of 77,690 cubic meters. Consequently, the November 1978 figure was exceeded by 3.6 percent.

Oil imports totaled 1.6 million cubic meters, 31.8 percent less than during the same period in 1978, and required an expenditure of $316.5 million; in other words, 44.6 percent more than during the first 11 months of the year before.

Gas and Coal

In the first 11 months of 1979, the cumulative volume of natural gas injection in the gas pipeline intake totaled 8.3277 billion cubic meters, exceeding the amount for the same period in 1978 by 7.9 percent. Last November,

the natural gas injection showed an increase of 3.5 percent in comparison with the total for the same month the year before.

Between January and November of last year, the production of marketable coal totaled 674,000 tons, hence exceeding the figure for the same period in 1978 by 72.6 percent. Last November, the production showed a similar volume in comparison with the same month in 1978.

Electrical Power

During the first 11 months of 1979, the generation of electrical power showed an increase in production amounting to 14.7 percent over the figure for the the same period in 1978. Last November, the amount was 10.2 percent more than during the same month in 1978.

Between January and November of last year, 30.1 million MWh were generated; and, during the final month of that period, 2.5 million MWh were generated.

YPF Record

Concurrently, the Government Oil Deposits company released a press communique in which it announced that, last December, a new record was set for oil production. During that month, there was an average daily production of 77,483 cubic meters, exceeding the largest volume recorded previously, that of last October.

It also reported that the company's cumulative production during 1979 exceeded that of 1978 by 4.4 percent.

YPF 1980 Investment Prediction

Buenos Aires LA PRENSA in Spanish 6 Jan 80 p 4

[Text] Salta (NA)--According to a disclosure made here by the marketing director of Government Oil Deposits, Capt Manuel Lopez Alvarez, that state company plans to invest 70 billion pesos this year.

The official, who visited Salta on an inspection tour, revealed in discussing another topic that the production of carburetants from by-products of sugar cane "is considered only an alternative held in reserve," because the current price of alcohol is higher than that of gasoline.

As for YPF's sales in 1979, he stressed that, "Insofar as carburetants and fuels were concerned, the marketing increased 10 percent, meeting 75 percent of the national demand."

Neuquen Basin Exploration Planned

Buenos Aires LA PRENSA in Spanish 8 Jan 80 Sec 2 p 4

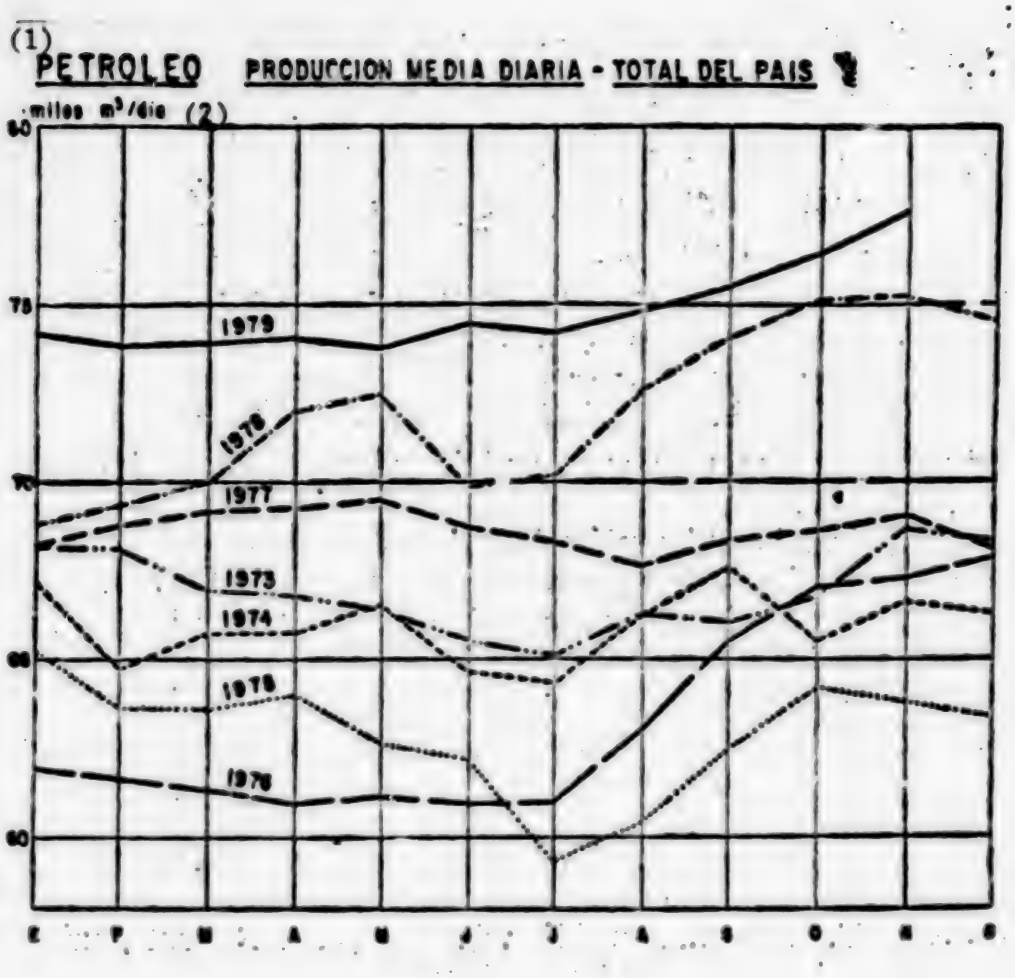
[Text] The Executive Branch assigned to YPF the CN-XV exploration area in the Neuquen Basin, for the purpose of subjecting it to work on the exploration and exploitation of hydrocarbons, in accordance with the system in Law 21,778. It contains an area of approximately 4,392 square kilometers.

The measure, adopted by virtue of Decree No 3404, establishes at 5 years the duration of the basic interval of the exploration period, which will go into effect as of the date when the respective contract is in force.

The grounds for this ruling state that this assignment will make it possible to implement the policies that have been established with regard to oil.

Key:

1. Bidding Program
2. Area for risk bid contract
3. Area for exploitation bid on
4. Area for exploitation to be bid on



Key to chart:

1. Oil: Average Daily Production, Total for the Country
2. Thousands of cubic meters per day

2909
CSO: 3010

NEW FUEL PRICES GOING INTO EFFECT LISTED

Buenos Aires LA NACION in Spanish 4 Jan 80 p 1

[Text] At 0000 hours today, the sales prices of liquid fuels derived from petroleum increased by percentages ranging from 5.6 for high-test and regular gasoline to 6.8 for kerosene, gas oil, diesel oil and fuel oil, in accordance with a decision of the Secretariat of Energy.

The new per liter prices will be 692 pesos per liter for high-test automobile gasoline, 575 pesos for regular automobile gasoline, 380 pesos for kerosene, 386 pesos for gas oil, 254 pesos for diesel oil and 152 pesos for fuel oil. In addition, the aforementioned decision notes that there will also be a rise in the sales prices of aviation kerosene and residual carbon from petroleum, although the percentages were not mentioned.

The Energy Secretariat also announced that, as of 1 January, the new official prices went into effect for nationally produced oil, as did the new withholding prices of liquid by-products of petroleum.

It added that, on the same date, the sales prices of petrochemical input, Rio Turbio coal and natural gas were changed. In these instances, the new prices were not disclosed either.

Finally, the Secretariat explained that different increases had been made with regard to natural gas which would benefit industrial consumers, and that the respective prices were in the area of 3.5 percent higher.

Prices of Fuels

	Current	Previous
High-test automobile gasoline	692 pesos	655 pesos
Regular automobile gasoline	575 "	545 "
Kerosene	386 "	361 "
Gas oil	386 "	361 "
Diesel oil	254 "	238 "
Fuel oil	152 "	142 "

2909
CSO: 3010

PROVINCES DEMAND INCREASE IN OIL ROYALTIES

Buenos Aires CONVICCION in Spanish 20 Dec 79 p 15

[Text] In a memorandum to the secretary of economic coordination and planning, Guillermo Walter Klein, the province of Mendoza has requested a substantial increase in its oil extraction royalties.

Although there has been no official information in this regard, Mendoza Finance Secretary Commodore Pedro Ferrero is known to have sent the note to Klein, asking for a hike in the price paid for Mendoza oil, inasmuch as $50 is being charged for a cubic meter of crude oil while the world price for the same amount is $180.

Mendoza has taken the same approach as Chubut, which also wants to boost its royalties and participate in formulating the policies that govern the activity. This was learned from statements by the governor of the province, retired Rear Adm Angel Martin, who described as "unfair" the prices set by the nation's Energy Secretariat for a cubic meter of crude.

He also clarified that "steps were not taken in conjunction with other provinces, although all of the producers agree on the oil price hike."

8743
CSO: 3010

PEN SIGNS $1 BILLION GAS PIPELINE CONTRACT

Buenos Aires LA PRENSA in Spanish 5 Jan 80 p 3

[Text] Yesterday, the secretary of energy, engineer Daniel Brunella, announced the approval by the Executive Branch of the contract for the construction of the west-central gas pipeline, which will be approximately 1,100 kilometers long, and will carry gas to the provinces of Mendoza, San Juan, San Luis, Cordoba and Santa Fe, the coastal area of the country, the federal capital and Greater Buenos Aires. The estimated cost of this project is $1 billion.

The contracting consortium is comprised of the following companies: Naamloze Venoots Chap Nacap; Besloten Vennootschap Nederlandse Gasunie; Tecsa, Inc; and Pamar, Inc.

According to the contract, the contractor does not have backing from the state; which means that there will be no contributions of any kind from the treasury, establishing a genuine peripheral private control, as engineer Brunella described it.

It also stipulates that the contractor will construct the gas pipeline and other facilities, all of which will be its property; and it will operate it for 15 years, receiving compensation for the amounts delivered at the various reception points. During that 15-year period of exploitation, it will be allowed to recover its investment and to realize its anticipated profits. When this period has ended, the gas pipeline and its facilities will come under the ownership of the state gas entity.

Phases of the Project

The project for the construction of this gas pipeline calls for three phases the first of which is expected to be finished in 21 months reckoned from 31 December of last year. During this first phase, the volume transported each day will be 5 million cubic meters.

The second phase is scheduled to take place 12 months after the initiation of the transportation in the first phase; and, in this case, the plans call

for 7 million cubic meters to be carried daily. Finally, it has been stipulated that the third phase is to occur 12 months after the beginning of the second phase; and, in this instance, a daily transportation of 10 million cubic meters is called for.

The main branches of this gas pipeline, which begins at the Loma La Lata deposit, in Neuquen, include the one which connects Beazley with Mendoza over an expanse of 220 kilometers; that in Mendoza connecting with San Juan, and 160 kilometers long; and other lesser branches measuring 250 kilometers in all.

Reserves

The official also explained that, according to the latest data, the total proven gas reserves in the country amount to 609 billion cubic meters, of which volume 254 billion cubic meters are associated with the Loma La Lata deposit.

The presence of these reserves allows for the exploitation, not only of the west-central gas pipeline, but also of the Neuquen-Bahia Blanca pipeline, which carries 10 million cubic meters per day, for more than 20 years.

The contribution from this gas pipeline will also make it possible to create new development poles, and will replace sizable volumes of fuel oil and liquid gas. In this respect, it should be pointed out that, in the cities of Mendoza and San Juan alone, a volume of liquid gas amounting to about 25,000 tons per year, the import price of which exceeds $11 million, will be replaced.

Other Gas Pipelines

He subsequently stated that, at the present time, the plan for the construction of the northwest gas pipeline is in the study phase. It would carry the gas from the Salta deposits and might eventually be used to supply the fluid to Brazil, for which purpose talks have already begun.

Contract With Bolivia

Finally, in response to a question, Brunella said that the contract for a gas supply from Bolivia still has 12 years to be in effect, and that it will be implemented in its entirety.

In this connection, he explained that this agreement contains two contracts, one for a supply of 4.5 million cubic meters per day, and another for 2 million cubic meters. Of the latter volume, from now on only 1 million cubic meters per day will be received.

2909
CSO: 3010

LACK OF POLICY IMPLEMENTATION BLAMED FOR YCF CRISIS

Buenos Aires CLARIN in Spanish 22 Dec 79 p 8

[Text] As the world is trying to return to the use of coal as an energy source because of the crisis triggered by the increase in oil prices and distribution problems, our country is again facing the situation that arose in 1977 when owing to a lack of demand, close to 180,000 tons of coal piled up at storage yards in the cities of Rio Gallegos and Rio Turbio.

Today, about 100,000 tons have piled up in the outskirts of those towns, and the financial situation of Government Coal Deposits (YCF) is more serious than 2 years ago.

The failure to implement a coal use policy and the resulting neglect of the YCF's activities can be seen in the statistics of its performance in 1979.

After the administrative rationalization that led to the closure of the Rio Gallegos offices, while activity was concentrated in the development zone, revenue from coal sales have covered only 70 percent of salaries or 70 percent of administrative costs. A partial explanation for this is that there are more employees now than at the outset of the decade, when amounts of coal similar to what will extracted this year were produced.

Separately, like the other public enterprises, the YCF has to furnish a subsidy to the Treasury, 14.173 billion pesos in this case, to help take care of its deficit. This represents close to 40 percent of its sales income.

This is causing an increasingly critical financial situation. According to statements by Central Bank officials, the enterprise has utilized almost the entire endebtedness margin authorized for it this year and has thus boosted its liabilities by 130 billion pesos. It would take 3 years of production at current levels to pay off this debt.

Meanwhile, the unfavorable financial status forecast at the start of the year has been worsened by the higher cost of money in relation to estimates at the time the 1979 budget was drafted.

There will not be stable demand for coal until 1983, when the Bahia Blanca Powerplant goes on line with two 310 megawatt turbo-generators, which will require 1½ million tons. At present, the country's economic criteria do not include the rationalization of its available fuels, and thus our coal is breaking down and losing calories in storage yards while we import oil, gas and derivatives. We could, however, be using the coal as a fuel.

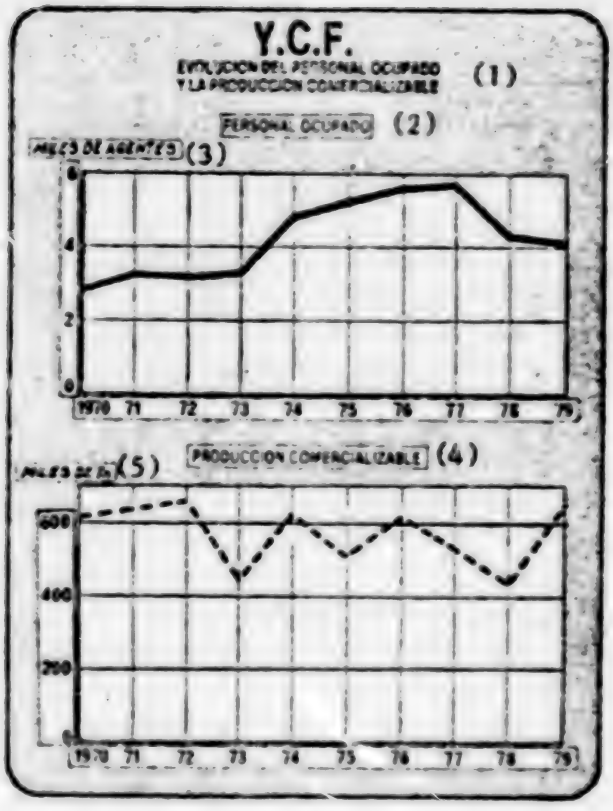
The recently publicized program for electric power until the year 2000 does not call for the construction of a coal-fired plant, and if we look at the map projections up to 1995, which show the main powerplants linked along a 500 kilovolt line, we see a transmission line bringing current to the Buenos Aires urban area from the Santa Cruz River (Condor Cliff).

The failure to use coal as a fuel limits the opportunities to develop the country's easternmost zone. What is more, by avoiding costly transportation charges, which are as high as the cost of extraction (thus doubling the price of the coal used in a powerplant), the steam plants built in an area near the coal fields would cut the current cost of coal in half.

The graph shows the sharp climb in the liabilities of the state-run enterprise in recent years.

Key:

1. YCF Liabilities (in millions of pesos)



Despite the administrative rationalization, gross revenue covers only 70 percent of salary and wage expenses.

Key:

1. YCF work force and marketable production
2. Work force
3. Thousands of employees
4. Marketable production
5. Thousands of tons

8743
CSO: 3010

IDB GRANTS ADDITIONAL FUNDS FOR SALTO GRANDE PROJECT

Buenos Aires LA OPINION in Spanish 22 Dec 79 p 10

[Text] The Board of Directors of the Inter-American Development Bank has approved a $360,000 non-reimbursable technical transaction to finance studies aimed at identifying and formulating projects for the sphere of influence of the Salto Grande hydroelectric powerplant.

According to the information furnished by the IDB's representatives in our country, the funds will be used to contract consulting services for these studies.

The Salto Grande dam, which is currently under construction, affects a 130,000 square kilometer area and somewhat more than 900,000 people, including two sections in Argentina and Uruguay that are marked by a low level of economic activity.

The construction of the complex has provided direct jobs to some 4,000 persons and temporarily intensified economic activity in the zone, mainly as a result of the $18 million a year paid out in wages. This figure will gradually decline until the project is completed in 1981.

A nuclear cooperation treaty, the joint development of the Urucum iron mines in Mato Grosso and an agreement for sales of Argentine gas to Brazil are three definite topics on the agenda that President Joao Figueiredo is preparing for his upcoming visit to Buenos Aires in March, it was reported in Brazilia.

The secrecy surrounding the government sources organizing the president's agenda was broken only by isolated reports concerning the the issues that Figueiredo would probably examine with the Argentine president.

8743
CSO: 3010

INSUFFICIENT DEPTH IN PORT OF QUEQUEN CITED

Buenos Aires LA NACION in Spanish 30 Dec 79 p 16

[Text] Necochea--The insufficient depth in Puerto Quequen is cause for concern for all of the sectors involved in farming activity. The port is far from achieving the ideal depth of 27 feet, despite the prediction by the secretary of maritime interests, Read Adm Noe Guevara, that it would by 20 January.

Dredging operations 255-C and 258-C have not been effective, and because of their slow pace it will be practically impossible to achieve the necessary depth to handle the inflow of grains from the harvest that is about to conclude.

The current depth of Puerto Quequen is 17.4 feet, and the lack of continuity in the dredging operations, which have been hit by various mechanical problems, would indicate that the minimum depth of 27 feet cannot be attained. This will entail serious losses both for the export companies, which will not be able to meet their shipping commitments, and for the shipping agents and growers, who will see the price of their merchandise rise as it has to be diverted to other ports.

8743
CSO: 3010

USED AUTO PARTS IMPORTS DETRIMENTAL TO LOCAL INDUSTRY

Buenos Aires LA NACION in Spanish 2 Nov 79 p 10

[Text] The secretary of industrial development, Atty Pablo Benedit, accompanied by the undersecretary of inudstrial administration, Eng Fernando Freytes, received a delegation of the Coordinating Council of the Auto Parts Industry which, among other things, informed him of the sector's concern over the imports of used auto parts which have been observed. The auto parts industrialists pointed out that this involves unfair competition for the companies in the sector and is harmful to consumers, since the used condition of these parts is often not stated.

The delegation members also invited Attorney Benedit and Engineer Freytes to attend a sectoral conference to be held soon in Cordoba.

Another of the topics discussed was the "balanced trade" in auto parts with foreign countries. The visitors said that, with regard to this matter, they supported the position taken within the commission called together 30 days ago by Attorney Benedit so that distributors and auto parts industrialists could reconcile their positions or at least express their views.

The Commission

As will be recalled, this commission must meet today for the last time, since the period granted for it to make a proposal has expired. As a result, the Secretariat of Industrial Development, which received the written requests of distributors and industrialists, will proceed to draft the respective decree. However, it cannot be ruled out that as long as the new regulations are being prepared, trade will be organized and carried out in accordance with Decree 203, currently in effect and whose replacement has been the reason for the discussions which we have reported.

Economy

In other affairs, the secretary of industrial development and Undersecretary Freytes must today report to the minister of economy, Jose Alfredo Martinez de Hoz, concerning the steps taken in regard to sectoral regulations for motors and tractors (whose plans have been finalized) and on "balanced trade" in particular.

Benedit's Visit

The secretary of mining, Eng Fernando Puca Prota, will wait to hear from the secretary of industrial development, Atty Pablo Benedit, who must travel to Haiti next week to attend a meeting of officials of the industrial sector.

11915
CSO: 3010

ONDARTS ANNOUNCES SIX ADDITIONAL RISK CONTRACTS

Buenos Aires LA OPINION in Spanish 7 Nov 79 p 14

[Text] The president of Government Oil Deposits (YPF), Raul Ondarts, announced that the company has "planned to drill 79 exploratory wells and to record 24,000 kilometers of seismic waves" in 1980.

He added that 59 exploratory wells were completed as of 31 October of this year, of which 21 proved "productive, which means an excellent percentage of success: 35.6."

He then pointed out that "the country's crude oil processing capacity amounts to 112,480 cubic meters daily, with 64 percent corresponding to YPF." He also said that "crude oil processing increased 50 percent in the last 10 years."

With regard to the most outstanding projects, he noted that "they are related to the increased conversion of the La Plata and Lujan de Cuyo (Mendoza) refineries," projects which will require a budget of approximately $200 million.

He further reported that "domestic demand for the principal fuels rose significantly during 1979, whereas it is expected that foreign sales of products exported during 1979 will exceed $40 million."

Concerning the "General Mosconi" offshore drilling platform, Mr Ondarts pointed out that the Ciclon X-1 exploratory well is being drilled at the southern tip of the so-called Falkland Islands basin.

He also said that in Mendoza "most activity in the development and exploitation of new fields is concentrated in the Malargue area."

Mr Ondarts then emphasized that "the greatest contribution of new producing wells in 1980 will come from the Neuquina Basin, where drilling in the Loma La Lata field will continue." It is estimated that gas and condensate reserves in the same field will exceed 85 billion cubic meters.

Comodoro Rivadavia "continues to be an area," he remarked, "where the rate of drilling continues intensely. In 1980, YPF will drill 115 outposts and

exploratory wells here. The situation is similar in the southern flank of the Gulf of San Jorge Basin, in the north of Santa Cruz Province," he said.

Finally, Mr Ondarts reported that "to date, seven risk contracts have been concluded, representing an investment of approximately $300 million in exploration for the next 7 years. In the next 5 months," he added, "we expect to sign six more contracts, representing investments of about $75 million."

11915
CSO: 3010

AGRICULTURAL SECTOR AFFECTED BY EXCESS RAINFALL

Buenos Aires LA OPINION in Spanish 26 Dec 79 p 9

[Text] According to reports and data furnished by the National Institute of Agricultural and Livestock Technology (INTA), farming activity throughout the country has been plagued in recent days by a number of difficulties stemming from climatic phenomena, mainly excess rainfall, strong winds and hail.

According to the INTA, the excellent outlook in Santa Fe began to feel the consequences of the excessively heavy rainfall in November, as well as the high winds and hailstorms.

The report, which covers the entire province and the department of San Justo, Cordoba, points out in connection with the wheat crop that "the harvest had to begin late because of the rains, and in the Oliveros and Galvez districts, which are further southwest of here, hailstorm damage has been observed."

A similar situation can be seen in the sorghum harvest, "which has been "impeded by the excessively wet soil." In contrast, the fields are in good condition for the planting of corn.

"The planting of soybeans is also behind schedule because of the excess rainfall," whereas the sunflower crop is at the flowering and development stage."

Lastly, the livestock report indicates that "the natural pastures are in good shape, and the summer grazing lands are being sown over a wide area under excellent moisture conditions." The overall condition of the livestock is "good, with no health problems, and the production of milk and meat is normal."

The prospects were excellent as the grain harvest began in the Pampas, with initial average yields of 30 sacks.

The recent rainfall has delayed the harvest of wheat, oats, barley and rye in the north and central sections of the Pampas. Nevertheless, the headlights of the harvesting machines can be seen at night, as the growers have decided to work out of the sunlight and high temperatures.

Observers have no doubts that in the northwest Pampas the wheat and rye yields will hit 50 sacks a hectare, which is a good summer harvest.

Meanwhile, to the south, in the semi-humid Pampas, the growing area of sunflower has been extended, and the countryside looks different from previous years. The low market prices of other grains have had an effect in this regard. By choosing to plant this oilseed in an area that is not the most suitable for it, growers are running a serious risk of not achieving optimum results.

On the other hand, in the Chaco sunflower harvests throughout the province are up, with acceptable yields of between 800 and 1,300 kilograms per hectare. The results have not been as satisfactory, however, with the oil yield, according to an unofficial report.

Sunflower is being grown over some 250,000 hectares during the current season.

The cotton plantations are in relatively good condition, and the recent rains have helped the plants to develop.

Farm groups have expressed their concern over the price of sunflower, because they feel that it is not remunerative. Current prices, they say, are lower than those of the previous season, which carries serious consequences for the growers, who are experiencing a serious economic crisis because of their heavy debts and financial commitments.

8743
CSO: 3010

FORTY-FIVE MILLION TONS PREDICTED FOR AGRICULTURAL PRODUCTION

Buenos Aires CLARIN in Spanish 23 Dec 79 p 11

[Text] After pointing out that our current farm exports have brought Argentina back into second place among world grain dealers (a position we share with Canada), the president of the National Grain Board, David Lacroze, predicted yesterday in Bahia Blanca that "farm output will be between 40 and 45 million tons by 1985."

He added that in order to achieve this "growers need an economic incentive called profit. To the extent that prices on the world market are profitable for growers, I do have the slightest doubt that we will produce large amounts of grain."

In analyzing the situation on international markets, Lacroze conceded that "the outlook is not very promising for the overall harvest, but it is relatively so for wheat."

With regard to wheat, the head of the National Grain Board pointed out that at present "our profit margin is good, and close to the average for rural activities."

"And there has been a development that I would venture to call interesting," he went on to say. "Argentine firms," he explained, "have negotiated sales for 3.5 million tons and will therefore have to purchase the merchandise from growers. If growers remain calm and do not sell in haste, they can be certain that the companies will have to buy their grains in order to execute the sales. The harvest has been sold, and now the exporters have to buy it."

8743
CSO: 3010

PORT EFFICIENCY HAMPERED BY LACK OF GRAIN STORAGE CAPACITY

Buenos Aires LA PRENSA in Spanish 30 Dec 79 p 3 Sec 3

[Text] Parana (Entre Rios)--The Commission for the Reactivation and Expansion of the Storage Facilities at the Port of Diamante reported recently on the various efforts that it has exerted to achieve its specific objectives. In this regard, they stressed that the main reason for the declining pace of activity at the port is the lack of storage capacity of the National Grain Board, inasmuch as the port is operating with a ceiling of about 18,000 tons, compared to the 50,000 that are regarded as a minimum level.

Purchases in Other Ports

The commission feels that the storage shortfall is the main reason that exporters prefer to buy in other ports, because they can secure greater economic advantages and a higher level of operations. Given the current insufficient capacity of the installations and the variety of grains stored there, we must realize that it is obviously very expensive to hire vessels to transport limited tonnages.

In addition, because of the lack of space local producers have to pay for land transportation, which dampens their legitimate hopes of greater profitability in their operations.

Efforts at a Solution

In a message to the governor, retired Brig Gen Carlos Enrique Aguirre, the commission calls for efforts to resolve the problem and explains why they are justified. It points out that "increasing the storage capacity would facilitate the decentralization that our national authorities are interested in and would guarantee the use of river transport, which is thought to be the most economical mode."

After other remarks about the problem, the commission emphasizes, among other things, that "although expansion work on the existing storage facilities entails investments, the results would also show

up in the economy." It adds shortly thereafter that "we have extremely cumbersome facilities, and we have to be able to handle freight cars and trucks and the shipping operations themselves, and we must also have the technical facilities for enhancing the merchandise."

Area Under Cultivation

The message from the commission then moved on to other facets of the problem and noted that "an expansion would enable us to absorb the exportable production of not only Entre Rios but of Corrientes, Misiones, northern Santa Fe and eventually Chaco as well. This would enable a larger area to be cultivated and end the tie-ups at other major ports in the country."

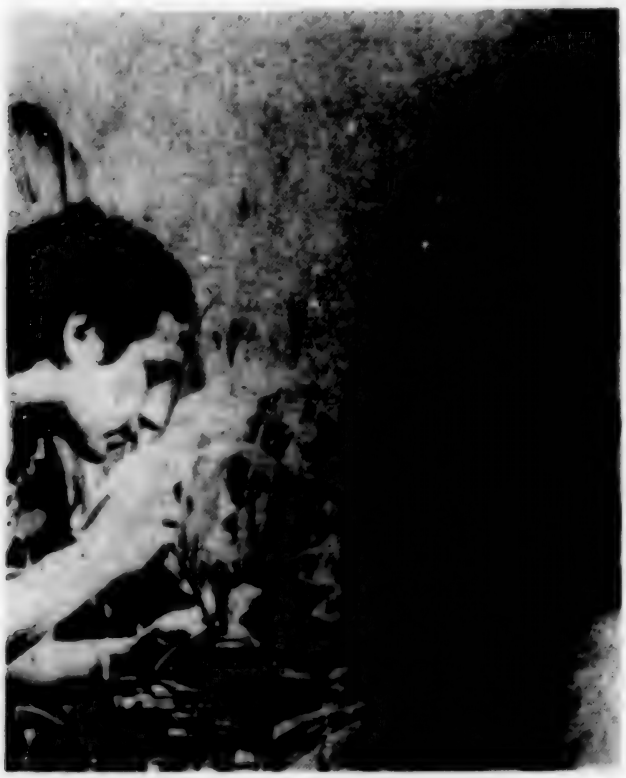
Among other overall benefits, it would resolve once and for all the shortcoming that "the National Grain Board cannot secure the conditional receipt for quality and moisture." In conclusion, the commission recalls that the expansion work would enable us to make use of larger vessels and "would obviate expenditures such as for towing assistance, costly docking operations, etc."

8743
CSO: 3010

MINITRAIN MEASURES SOLAR RAYS IN CORNFIELDS

Buenos Aires LA PRENSA in Spanish 30 Dec 79 p 3

[Text]



In the foreground we can see the small electric train outfitted with a luminous cell to measure the rays of the sun in a cornfield. To the left is Dr Walter Sanchez and to the right is Dr Hans Kneckel, from the Bavarian Institute for Agricultural and Plant Experimentation.

It was not the lack of physical space that led meteorologists Drs Hans Kneckel and Walter Sanchez to place a toy electric train in a cornfield. On the contrary, the train has an important research role at the Bavarian Institute for Agricultural and Plant Experimentation.

The tiny locomotive has been equipped with a highly sensitive luminous cell and travels around the cornfield at various hours of the day. The density in the field is not uniform and has been deliberately varied as part of the experiment.

The train travels around the cornfield at different hours and measures the intensity of the sunlight in each section or parcel. The energy of the sun is extremely important for the growth of corn.

The objective of the work being done in Munich is to ascertain what kind of corn crop is the most appropriate, in other words, under what cultivation arrangement do the plants receive the most sunlight.

The data supplied by the toy train are recorded in a computer and checked, also electronically, at the Agrometeorology Department of the German Meteorological Observatory.

8743
CSO: 3010

BRIEFS

CUTA PLAGUED BY INTERNAL DISPUTES--Buenos Aires, 22 Jan (AFP)--According to information released by union sources, the United Leadership of Argentine Workers (CUTA)--created only 4 months ago--is on the brink of a schism because of internal disagreements between the militants and the moderates. The CUTA was created last September when the moderate sector represented by the National Labor Commission (CNT) merged with the militant sector represented by the Commission of 25. While the dominant sector of the CUTA believes that the rules of the game dictated by the military must be respected, the leaders who were members of the former Commission of 25 advocate opposition to the new union association law. The two most recent meetings held by the CUTA--the first of the year--took place without the leaders of the militant sector, and the conclusions reached amounted to merely a lukewarm protest against the government's salary policy. Union sources stated that intraleadership rifts are of little concern to workers at the grassroots level, who are "truly displeased" with the salary situation. [Excerpts] [PY241923 Paris AFP in Spanish 1134 GMT 23 Jan 80 PY]

VIDELA'S PRC VISIT--Buenos Aires, 24 Jan (NA)--Paulino Musacchio, Argentine ambassador to the PRC, today confirmed that President Jorge Videla will visit that Asian country before the end of March. Musacchio, who arrived in the country today, stated upon arrival at Ezeiza airport that he had been called to the country by the Foreign Ministry to report on arrangements for the president's visit. [Text] [PY241643 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1121 GMT 24 Jan 80 PY]

ARMS CONTROL MEASURES--The executive branch has extended the validity of the decree regulating the carrying of arms and explosives until 31 December this year because the domestic situation makes it necessary to maintain restrictive measures that contribute to the control of the possession of arms. [Excerpt] [PY281628 Buenos Aires Domestic Service in Spanish 1030 GMT 28 Jan 80 PY]

NEW FRIGATE--Paris (AFP)--Argentina has purchased from France a third frigate of the A-69 type intended for coastal defense and antisubmarine combat, as learned here yesterday from reliable sources. This third frigate, like the others purchased by Argentina, will be built in the French shipyard at Lorient. The ship weighs 1,250 tons, is 80 meters long and 10.30 meters wide, with a draft of 3 meters. This type of frigate is intended to be used for coastal patrols and may be used for antisubmarine combat when equipped with "exorcet" rockets. [Text] [Buenos Aires LA NACION in Spanish 5 Nov 79 p 15] 11915

CSO: 3010

PUBLICITY URGED FOR DEBATE ON NATION'S FUTURE

Santiago HOY in Spanish 2 Jan 80 p 5

[Editorial by Emilio Filippi: "Publicity for a Debate"]

[Text] It is a fact that there is no unanimity about the future in the heart of the forces supporting the government. The internal debate between the so-called "hard-liners" and the "openers" shows that there is a rather profound difference of opinion and that the country is in danger of being led by one side or another, unfortunately without having much say in the matter.

We believe that the media's role is to inform the public about what is happening, however much certain facts may seem to be in the hazy tactic of interested reticence. This information should be given without commentary, always striving to bring out the truth about things for those who read or hear or see them. That is why this magazine has opened its pages to that debate, as much because it is good for the country to know what it is all about as because it is good for the controversy to be public and not kept within the mystery of the cenacles.

We believe that democratic government should be restored in Chile as soon as possible and that 6 years of emergency and discretionary powers is long enough. It is no mystery that this is our belief, and we have tried to argue those ideas--which are shared by millions of Chileans of all ideological persuasions--with the greatest assortment of reasons.

Perhaps that is why we feel the lack of careful consideration of what the country--at least a large part of it--really wants for the nation, in the in-depth study that officials are making. It has never been good to make decisions behind the backs of the people, much less contrary to what the people want. Sooner or later such a decision becomes a sort of boomerang which, although it may turn against those who set it in motion, in the end harms the whole nation.

Without losing sight of some of the main aspects--such as the need to revise the operation of many democratic institutions, find ways for greater participation by the people, guarantee the internal democracy and real representativeness of the political parties, and assure that order and security do not violate freedom and justice--it is interesting that the debate we are discussing is not based on personalisms or autocratisms, but above all on the interests of the republic. And this can be nothing less than that of the inhabitants as a whole, since to place ahead of that the advantages gained by small groups in power is to create a policy of minorities in opposition to the opinion of the majority.

Contrary to the belief of isolated ideologs, what Chile needs is a true democracy. And this is conceiveable only in accordance with Lincoln's old definition: "government of the people, by the people, and for the people." That simple phrase contains a profound concept about planning. Everything eliminated from it is a way of denying the essence of the system. So much so that, after the authoritarianistic wave that was beginning to dominate the world on pretexts that sometimes barely merit attention, the people have rather quickly begun a return to Lincoln's old system, which undoubtedly is the only one that can satisfy the largest sectors of citizens and turn them into subjects and protagonists of history and not passive objects of politics alien to them, and which most of the time are harmful to them.

8587
CSO: 3010

NEED FOR SOCIAL MOBILIZATION SEEN IN POLITICAL PROCESS

Santiago HOY in Spanish 2 Jan 80 p 2

[Editorial by Jaime Castille Velasco: "Social Mobilization"]

[Text] The return to democracy stands for social mobilization.

It dissolves the factors of distrust that many encourage against the workings of political parties, because the development process may have social forces which are themselves the primary actors. Instead of assuming that they represent the masses, the parties may have the chance to once again discover their authenticity, or they may be forced aside by events.

Aside from this, it is unnecessary to prove that there is an actual basis for the development of a mobilization coincident with the return to democratic institutions. This can be verified just by opening the daily paper. There we see how the various sectors of society are expressing their most urgent aspirations.

They all have a common basis: recovery of the rights which are normal in a democracy, freedom of action for organizations, the chance to participate in society. To these common aspirations we must add the particular ones, which to a great degree depend upon the former.

There is no solidarity among the various sectors these days. The government has managed to separate them all. So it all depends on whether they can find a way to unite without warping themselves and without meeting greater obstacles.

How can it be done?

A minimum list of those aspirations should be presented by all the sectors at the same time. That way the intellectuals, for example, can support the aspirations of the workers, the businessmen, and so forth, and they in turn can support the intellectuals when any of them demand their threatened rights.

That will result in a kind of national unity based, not on ideologies or minority interests, but on definite common facts. The strength of each is added to the whole.

At the same time, no one loses his own identity or is forced to act outside his own area. This is no formation of "fronts" or "commands." There are still many paths of action. There are no political, ideological, or union positions clashing with one another and preventing unity of the whole. Each sector, in its sphere, works toward the common goals of its members.

In this manner the social unity of the people is established and legitimized even in a system as suspicious and closed as this one.

In fact, there is no political front or combination of parties to take control of the process. On the contrary, considering that mobilization is based on basic demands, the parties are put in a position of having to avoid obstructing its success. Their role, through their rank and file, who are also affected by the present situation, is to carry that work forward and not oppose it.

Put another way: the ideas and actions of political party members will be judged according to their effectiveness in the mobilization itself. At the proper moment it will give rise to a political leadership, perhaps reaffirming existing political parties, perhaps giving place to a new movement.

In any case, because it is a matter of winning freedoms through definite aspirations, the general course of the process will be democratic in a political as well as a social sense. The recovery of individual freedoms is linked to the creation of harmonious forms of participation.

In conclusion, it will be a peaceful process, based upon what each sector is vitally demanding at the present time, effected by peaceful means, not regressing to any ahistoric past, a process which gives a place to new protagonists, which is based on today's reality, and which offers itself as a solid social process capable of changing present conditions and opening the way for a transition period. Without protections of any kind.

8587
CSO: 3010

GUZMAN SAID TO FEAR OR LACK FAITH IN PEOPLE

Santiago ERCILLA in Spanish 26 Dec 79 p 17

[Editorial by Patricio Aylwin A.: "Guzman: Lack of Faith or Fear of the People?"]

[Text] The public statement that it is high time to bring back the "dialectics of peace" to Chile, in place of "the dialectics of war" which have ruled national life for over 6 years, had the singular power to exasperate Jaime Guzman.

Losing his usual poise (in his commentary in issue 2315 of ERCILLA) the young ideologue attacks my political family, the Christian Democrats, and repeats the whole series of banalities with which it is fashionable to blame us for Chile's problems, concluding by charging us with being mere dreamers about a soft Utopia.

I will not do as Mr Guzman has done. As a thinking man, he knows perfectly well that the slogans he is repeating are, for him, at best twisted and biased partial truths, if not just eyewash to hide the other side of the coin.

What I find surprising is that in the debate I had with him at the Engineering School recently, in which I expressed the same ideas as in my speech at Vina, he did not refute any of the charges he now fends off, as would have been demanded by that "intellectual and moral courage," with the lack of which he imputes us. On the contrary, with evangelical humility he admitted what he claimed to believe was true in my arguments and managed to show that his way of thinking was not very different from mine.

I feel it is tragic for Chile that the subjects vital to its future can only be seriously debated in small academic circles. When one attempts to raise them to the natinal level, the discussion is carried out of the field of ideas and relapses into the slippery moor of mud-slinging.

For over 6 years we have lived under "emergency" regimes, which are by nature temporary, despite the fact that there is no serious danger of subversion or disorder. The "future institutionality" is being planned behind the people's back and the government hopes to "impose it" through a plebiscite without any other option. The reigning economic-social model sacrifices the poor to the rich, and is supported by the power of arms. Those of us who disagree are treated as "enemies." These are facts no one can dispute.

I paid a debt of conscience in presenting the reasons I believe these facts are extremely serious for Chile's future and stating that it is indispensible to make a serious effort to reestablish dialog among the people of Chile, to restore a constitutional government that should be the outcome of greater citizen agreement freely gathered, and to promote justice in the economic-social system.

Our theories have not been contradicted by any rational argument; it is preferred to attribute them to "a grudge" on the part of a "small group" who are deluded or senile. Our call for unity is greeted with scorn. They oppose our "dialectic of peace" with the "dialectic of war."

In fact, no one knows what the people of Chile prefer. Only when they have expressed their will, after the reestablishment of public freedoms, open debate among all sectors, and the reestablishment of the voter lists, by means of free suffrage which is both secret and informed, will it be possible to find out who are the real "small group" that is far removed from national feeling, and whether wanting democracy is a "soft utopia."

Those who refuse to allow the people to freely and consciously decide their future either lack faith in them or fear them.

8587
CSO: 3010

CONCERN FOR RISING PETROLEUM PRICES EVOKES VARIOUS MEASURES

More Oil Price Hikes Expected

Santo Domingo EL NACIONAL in Spanish 6 Jan 80 p 8

[Cartoon]

[Caption] Dammit! I'll have to spend $450 million on oil alone this year...and it'll probably go even higher!

Rising Costs Called Threat

Santo Domingo EL NACIONAL in Spanish 5 Jan 80 p 8

[Cartoon]

[Caption] We have to realize that this is the biggest threat to our political stability and social peace! [Caption on left figure] Oil prices

Guzman Urges Conservation, Sacrifices

Santo Domingo LISTIN DIARIO in Spanish 4 Jan 80 pp 1, 10

[Report on 3 January radio and television speech by President Antonio Guzman, by R. Rodriguez Gomez]

[Excerpt] President Antonio Guzman announced last evening that the government will absorb the increase in the price of oil and oil derivatives that came about early this year.

Consequently, there will be no increase in the price of fuel at this time, President Guzman said.

The chief executive said that "far from constituting an invitation to waste and extravagance," this measure "should give rise to profound reflection and awareness, causing us to moderate our thinking and once and for all, begin to conserve, make sacrifices and work."

Last night's speech from the National Palace was broadcast to the nation by radio and television. In his address, the president spoke about the troubled world situation.

He said that in the face of a myriad of uncertainties, "we Dominicans should feel proud of the climate of freedom, peace, harmony and progress that we now enjoy, an indispensable condition for overcoming the difficulties we face and the problems that might arise."

"The Dominican economy is sound and healthy," he emphasized.

However, the president went on to say that "unfortunately, the year 1980 has brought us the bitter news that there has been another excessive oil price increase, which for our country means an additional outlay of approximately $90 million."

And what is worse, he added, "is that this figure could be even higher if there are more increases during the year because the latest price is only effective until March.

President Guzman said that "given this state of affairs, we are forced to devote greater amounts of foreign exchange to the purchase of the oil needed to maintain the normal conduct of the country's activities."

Import Costs Much Higher

Santo Domingo EL CARIBE in Spanish 4 Jan 80 p 1

[Article by Saul Pimentel]

[Excerpt] The governor of the Central Bank said yesterday that estimates indicate that this year, the Dominican Republic will have to pay an additional $90 million to import oil and other types of fuel.

Eduardo Fernandez P. stated that the expenditure "is a very negative factor" that the country will have to face this year, although he added that this and other problems could be solved "to a great extent" by using income the country will obtain by exporting gold and nontraditional products.

Interviewed at a meeting held in the Central Bank's Department of Tourist Infrastructure, Fernandez said that "for the Dominican Republic, 1980 will present difficulties, but instead of viewing them as difficulties and obstacles, I see them as challenges and opportunities for following the process of forward movement on which we have embarked in recent years, economically speaking."

Alternative Energy Sources Sought

Santo Domingo LISTIN DIARIO in Spanish 5 Jan 80 pp 1, 14

[Article by R. Rodriguez Gomez]

[Text] The government resolved last night that its first priority in meeting the energy crisis would be the search for sources of petroleum other than oil. For that very purpose, the National Institute for Water Resources will implement nine hydroelectric projects throughout the country.

Among the projects are the two Los Toros plants in Azua, with an installed capacity of 8,000 and 5,000 kilowatts, and seven others in Nizaito, Canal Boba, Yaque del Norte and Yaque del Sur. They will cost approximately 10.3 million pesos.

The Energy Policy Commission headed by President Antonio Guzman met at the National Palace last night.

Independent journalists were not allowed into the meeting, but when it concluded, Manuel E. Tavares Espaillat, secretary of industry and commerce, Jose Guillermo Paniagua, administrator of the Dominican Electric Corporation, and Leandro Guzman, director of INDRHI [Institute of Water Resources], provided details.

Tavares Espaillat said that it had been established at the meeting that top priority would be given to the development of alternative sources of energy not depending on oil to generate electricity.

Leandro Guzman, director of INDRHI, described the construction of small hydroelectric powerplants.

He also said that INDRHI has planned feasibility studies for some 60 points identified as potentially good for the production of hydroelectric power.

He then went on to say that INDRHI has nine hydroelectric projects ready to be implemented.

He explained that among the projects are the two Los Toros plants in Azua, one with an installed power of 8,000 kilowatts and the other 5,000. Both projects will use the waters of the Yaque del Sur channel.

Guzman said that these projects will be able to generate some 110 million kilowatt-hours per year.

The official added that seven small hydroelectric projects will reach an installed power of some 9.6 megawatts or 9,600 kilowatts.

According to Guzman, the nine projects will cost approximately $10.3 million.

Concerning the possibility of obtaining economic resources, the director of INDRHI said that the government has asked the German Government for financing at a low rate of interest.

He said that the situation should be completely defined within the first three months of the year, meaning that the projects will be able to be implemented and go into operation within 2 years.

Guzman also said that based on the priority which President Antonio Guzman has given to the Energy Policy Commission, INDRHI has planned feasibility studies for some 60 points identified as potentially useful for the production of hydroelectric power.

He said that part of the studies had been submitted for bids from national firms that had previously qualified for such bidding.

The work will be done with guaranteed preinvestment funds allocated by the technical secretariat of the Office of the President.

In addition, Tavares Espaillat stated that last evening, President Guzman approved the allocation of 283,000 pesos for immediate initiation of the synchronization of traffic lights on the principal streets of the capital and the installation of a system of lights activated by traffic.

Tavares Espaillat explained that this work could be completed within 6 months and that implementation of the system will save the country 1 million gallons of gasoline a year.

There will also be a study of the possibility of allowing right turns at many main intersections.

Oil Called Main Trade Obstacle

Santo Domingo EL CARIBE in Spanish 5 Jan 80 p 8

[Article by Saul Pimentel]

[Text] The director of the Dominican Center for Export Development (CEDOPEX) warned yesterday that the problem of oil and other energy products may become the "main obstacle" to the development of foreign trade and the Dominican economy.

Luis Alvarez Renta said that in the face of this situation, the government should seek trade with Venezuela and Mexico, which in his opinion are the countries in the area with the greatest oil resources.

Alvarez Renta was recently removed from the office of director of CEDOPEX by an order issued by the president. He will remain at his post until 15 January, when Jesus Maria Hernandez will take his place.

At a press conference held in his office yesterday, he said that there is a whole series of factors that are allegedly "hindering" the development of Dominican foreign trade. Among them he mentioned the "isolation" partially affecting the country with regard to other markets in Central America and the Caribbean, the lack of organization for creating an efficient export sector and the energy problem.

He said that "oil and other energy products represent a special challenge to the foreign trade policy because we do not expect to eliminate our dependency on foreign raw materials for the production of energy within a reasonable period of time."

In his opinion, the Dominican foreign trade policy was not outlined until last year and at the present time, should be consistent with the country's overall economic objectives.

He said that in the long run, the main objective of the foreign trade policy should be "to generate the foreign exchange needed to finance the development process."

He recommended the development of activities "in order to consolidate an efficient export sector having great volumes of production and a small margin of profit," enabling the country "to compete on international markets and achieve a consensus of public opinion, thereby creating awareness about the benefits of exporting."

He said that in order to face the "external problem," there is now a need for the creation of "an area of commercial influence" in which CEDOPEX would combine all its promotional efforts.

This integration "has to do with the identification of those who will be our principal partners in commercial trade in the future."

"In other words," he said, "we are proposing to break down the isolationism that has characterized us in the past and seek a coherent position in the world of international trade which will allow us to develop lasting and interdependent two-way foreign trade."

Alvarez Renta said that "when one analyzes the internal situation of export production in the Dominican Republic, one finds that we still do not have the necessary organization to create an efficient export sector."

He added that "we must act on the structure of the productive sectors in order to diversify and improve efficiency so as to make the export products competitive on the world market and achieve a diversification of those products, while increasing the supply oriented toward international trade."

Alvarez Renta said that prospects in the private sector are "favorable for achieving a rapid increase in exports of nontraditional products, especially manufactured products."

He emphasized that "national industry has a great capacity lying idle, reflecting its origins based on the pattern of replacing imports and extensive use of production technologies from developed countries."

He criticized the fact that at the present time, numerous state entities, both decentralized and part of the government, have foreign trade objectives, powers and functions, but they are operating "in specialized spheres without any overall view of foreign economic relations."

"As a result of this institutional vacuum, several fundamental goals in the field of foreign trade are not included in the activities of the existing organizations or are not carried out with the needed efficiency." he said

Alvarez Renta added that "it is of cardinal importance to set up the Dominican Foreign Trade Institute to make it possible to regulate two-way foreign trade, especially the establishment of a generalized system of preferences enabling us to outline certain standards of equity in tariff treatment granted to our suppliers."

He recommended that there be a continued diversification of our export markets, an increase in their number and a decrease in the "individual percentage that each of them represents with respect to total exports."

He went on to say that "in the years to come, we should strengthen measures taken, concluding a final agreement with Puerto Rico that will take the place of the current agricultural complementation accord, and another with Venezuela to regulate important areas such as oil, sugar, black beans and other nontraditional products."

"In medium-range terms," he said, "it is imperative to open negotiations with the European Economic Community, considering the fact that Spain will become a member of that Common Market around 1982."

Alvarez Renta added that "the scope of the Bilateral Trade Agreement with Haiti should be expanded, and we shall have to arrange settlements so as to improve our terms of trade with Japan."

He said that in addition, there must be "a revision of our bilateral relations with Mexico and Cuba," countries that are now being called upon to be a new energy power in the area, in the case of the former, and to become, from a strategic standpoint, an important competitor of the Dominican Republic, in the case of the latter."

Alvarez Renta said that independently of its possible competition, Cuba is potentially an important market in the Caribbean area.

Price Increase Termed Threat

Santo Domingo EL NACIONAL in Spanish 4 Jan 80 p 8

[Editorial]

[Text] We must realize and make others realize, as the president did last evening in relation to international society, that the gravest threat to our political stability and social peace resides in and is summed up by the sky-high prices of hydrocarbons, prices that are ruinous for our already shaky economy.

We consume 15 million barrels. Consequently, simple mathematics show that an increase of $1 per barrel means $15 million more for its purchase, and every $1 increase means another $15 million.

Quite bluntly, that is how serious things are.

Let us recall that with an initial increase of $6, announced at the beginning of December, Venezuela increased its price $8 per barrel, which is the equivalent of an additional $120 million for 1980. For oil alone, we shall have to spend $450 million this year.

If we continue with our figures, the expected new increases in the price of the aptly named "black gold will mean that a gallon of gasoline, for which we now pay 1.85, will cost 60c more, or a total of 2.45.

Where are we to get the money? We do not have a magic wand we can wave in order to make hard cash appear, nor will we overcome the obstacle by creating inorganic currency for domestic needs.

It is true that the current price of a gallon of gasoline -- 1.85 -- included 18c in taxes to make up the so-called "cushion." It is also true that the government had $85 billion in the Reserve Fund to pay for any surprise increase in the price of gasoline. But that fund was reduced by over $5 million by salary increases for legislators which the latter, the legislators, took from that Reserve Fund.

Neither the people nor the government can absorb the new increases alone.

That is why, based on the criterion we have previously expressed, the government -- represented last evening by the president -- has stated that it will devote all its reserves toward absorbing the new increases and will impose new taxes on those sectors which, because of their solid economic situation, will be able to bear such a burden without being seriously affected.

This new taxes will be placed on property and added value, among other things. Both will give rise to controversy as soon as they are put in the form of bills sent to Congress.

It is very important for the people to have a clear understanding of the situation, especially working people and the drivers' unions, for it is precisely they who have not always had a complete understanding of the economic circumstances in which we find ourselves.

The Venezuelan Government, the Social Christian government, has promised to give special consideration to countries in the Caribbean area.

With all due respect to the sons of the nation of Bolivar, remembering times past, this newspaper does not have too much confidence in such fraternal promises. To offer us financing credits, as in the past, at high rates of interest, without any deferment period and on very hard terms, is not very tempting relief.

An official Dominican commission is to go to Caracas. It is said that there will be no negotiations there to modify the agreement for the sale of 250,000 tons of sugar, an agreement made with the CEA [State Sugar Council].

EL NACIONAL believes that the two problems should be dealt with at the same time. Since the current price of sugar is 18¢ a pound, we, the poor nation, are giving wealthy Venezuela the trifling sum of $20 million.

This is not fair, rebus sic stantibus, especially when the Venezuelans continue to raise the price of their oil sky-high.

11,464
CSO: 3010

OIL PRODUCTION UP BY 7 PERCENT IN 11 MONTHS OF 1979

Quito EL COMERCIO in Spanish 14 Jan 80 p 2

[Text] According to a report from the Ministry of Natural Resources, during 11 months of 1979 crude oil production totaled 72 million barrels.

During the aforementioned period, the eastern oilfields contributed 6,385,555 barrels, equivalent to 99.3 percent of the total production.

This production volume represents a 7.4 percent increase over that in the same interval of 1978.

The oil production is intended mainly to meet the needs of the country relating statistically to the figures on coastal trade and compensation published by this General Directorate, and is used chiefly to supply the Anglo and Gulf refineries.

It was also explained that the domestic consumption includes the volumes of crude sent directly from the fields to the state refineries in Esmeraldas and Lago Agrio. The aforementioned refineries processed 2,890,687 barrels of oil from the east and the peninsular area. The respectiv breakdown indicates that the state refinery processed 1,708,064 barrels, representing 56 8 percent of the total refined; Anglo refined 967,810 barrels, accounting for 33.8 percent; and Gulf Oil processed 187,850 barrels, or 1.1 percent.

Output of Refined Products

The output of refined products, involving gasoline, kerex, diesel, etc., amounted to a total of 2,856,269 barrels, the basic portions of which were 44.2 percent residual products, 24.7 percent gasoline, 16.2 percent diesel and 7.2 percent kerex, among the most important products.

The deficit which the country still has in its refining capacity is covered by direct imports of clean products, using the foreign exchange generated by the exports made in compensation.

Marketing

The surplus crude production was sent to the foreign market, whose leading customers were the West Indies, Chile and Panama. Most of the marketing was done by the Ecuadorean State Petroleum Corporation and Texaco. The volume marketed was 2,562,761 barrels, of which only 252,162 barrels were sold by Texaco.

The direct sales totaled 2,343,760 barrels, and those in compensation amounted to 219,001 barrels.

2909
CSO: 3010

OIL SECTOR SUFFERS INCREASED CONSUMPTION, REDUCED REVENUE

Quito EL COMERCIO in Spanish 16 Jan 80 pp 1, 15

[Text] Serious distortions in the energy policy are having a negative effect on the hydrocarbon industry, jeopardizing the effective action of the government oil entity during the years to come.

The distortion becomes obvious when one observes that, on the one hand, the National Development Plan attaches high priority to the development of the energy sector and, on the other, there has been a considerabel reduction in the revenue of the CEPE [Ecuadorean State Petroleum Corporation], the entity responsible for the progress of that strategic sector.

Not only that, but the irrational use of crude by-products, including gasoline and diesel, is another distorting factor.

This situation will have to be corrected if we want to prevent a sharp decline in the oil industry, which will have to finance the national budget during the years ahead.

Moreover, the reserves have been reduced considerably.

From 1.46 billion barrels in 1972, they dropped to 1.05 billion as of December 1979. If the current conditions persist, and domestic consumption continues to increase at an annual rate of 15 percent, as it is doing now, the country will have to export crude and by-products.

The phenomenon will occur regardless of the increased crude production recorded recently. In this respect, 1979 was a good year; because, with 210,000 barrels per day, it equaled the 1973 production which was the best, with a production rate of 250,000 barrels per day.

The oil industry's present problem lies in increasing reserves and incorporating new areas for development. There is a vital need to expand the productive spectrum of hydrocarbons, and to streamline their marketing, both domestically and internationally.

The Cuts

The state must expend its greatest energy on behalf of that goal, by strengthening the CEPE's economy. Strangely enough, however, during recent years that government entity has found its financing capacity deteriorating.

In December 1974, a net share of 28 percent of the real value of the exports was established on behalf of the CEPE. During subsequent years, restrictive measures reduced that share to only 18.6 percent of the real value of the exports.

Those measures, ordered during the final phase of the previous government, seriously upset the economy of the CEPE. For example, Confidential Decree No 218 of 12 September 1977 orders that 8 percent of the value of the deposits for the National Defense Board be withheld from that entity's crude exports. This measure represented a reduction of 1.593 billion sucres in the CEPE revenue for that year, and a similar reduction in the next 5 years. By 1984, that cut will amount to 1.566 billion sucres.

Since 20 February of last year, the Central Bank, at the order of the Hydrocarbons Directorate, has deducted 18.5 percent of the CEPE's royalties, instead of 17 percent, which is the proper amount according to law. In 1979, the loss resulting from that ruling represented the sum of 370 million sucres; and, in 1984, that loss will amount to 2.166 billion sucres.

A series of measures reduced the CEPE's revenue. A projection made until 1984 of the effects of those measures discloses that the State Petroleum Corporation will lose 49.923 billion sucres; something which will definitively affect the programing of the plans that the present government is attempting to carry out in the area of oil, according to the report.

Finally, official sources have announced that the preliminary draft budget of that institution for 1980, which amounts to 16 billion sucres, had a deficit of 1.5 billion sucres, which had to be financed through different measures; but that, with the new law ordering a freeze on the income of those participating in oil price hikes, that deficit will total 3.5 billion, representing a charge of 2 billion sucres.

Irrational Consumption

Another distorting phenomenon affecting the nation's oil industry is related to the irrational use of the main by-products of crude in the country. The nation has to import large volumes of diesel to supply thermoelectric units and large factories at subsidized prices, something that could be avoided if those units were to use bunker (residual), which the country produces and exports to the foreign market.

To give an idea of the dimensions of the problem, it was noted that, in 1978, 1,294,176 barrels of gasoline were imported, a figure which increased to

1,356,054 barrels in 1979, representing an annual increment of 4.8 percent. The country purchases that product on the international market at $38.42 per barrel, and has to sell at a subsidized price of $8.00 on the domestic market, losing at least $30 on each barrel.

During the past few years, the domestic consumption of diesel has increased, necessitating the expenditure of larger sums to subsidize that product. In 1976, 405,685 barrels were imported, and in 1979 the purchases of that product increased by over 100 percent, with imports of 840,258 barrels, at a price of $31.71 per barrel. On the other hand, it was sold to domestic consumers at $7.00 per barrel.

The increased consumption of diesel last year was due to the construction of many thermoelectric plants designed on the basis of that by-product. The situation is extremely negative when one considers the fact that the state allocated a volume of 4,858,877 barrels, representing $112,545,757, in imports of gasoline and diesel during 1979, through the hedge selling system.

But the phenomenon becomes even more of a problem when one realizes that those thermal plants powered by diesel could operate with bunker. Last year, the country exported 7,422,077 barrels of that product. Despite the fact that there is an enormous surplus of that residual product, it is virtually unused in the country. Diesel is imported at international prices, and is sold at subsidized prices; while, on the other hand, bunker which could be used in the industrial area is being exported.

In the opinion of the experts, the presence of thermoelectric plants and factories powered by diesel is very costly to the country, a fact which necessitates considering a change in design, or an adaptation of those units to bunker.

The percentage of thermoelectric power generation is 76 percent, and only 24 percent relates to hydroelectric power. However, the potential being produced is the reverse. Whereas 80 percent of the potential is produced by hydroelectricity, only 20 percent is related to thermoelectricity.

This irrational situation, combined with the high rate of increase in the domestic consumption of oil, which reached 26 percent in 1976 and is now 15 percent, presents a distorted picture of the development of the country's hydrocarbon industry, which requires immediate corrective measures.

2909
CSO: 3010

NEW OIL WELL FOUND IN CUYABENO FIELD

Quito EL TIEMPO in Spanish 8 Jan 80 pp 1, 8

[Excerpts] Yesterday, the minister of natural resources and energy, engineer Jose Corsino Cardenas, officially confirmed the discovery of oil in the No 2 Cuyabeno well, located in the northeastern part of the country. The estimated production from this well totals 4,083 barrels per day of crude with an API grade ranging between 25 and 28. It was announced that, if this production is added to that recorded in the Sansahuari field, between 8,000 and 10,000 barrels per day would be included over the next 18 months.

Moreover, Minister Corsino Cardenas predicted a major discovery of hydrocarbons in the Yuca Sur field, which is being operated by the CEPE [Ecuadorean State Petroleum Corporation]-Texaco consortium.

Incorporation of Fields

The Sansahuari and Cuyabeno fields, whose potential reserves have been estimated, on a preliminary basis, at 40 million barrels, could incorporate into production between 8,000 and 10,000 barrels per day over the next 18 months, that is, during the first half of 1981.

The Sansahuari field was discovered by the CEPE by drilling a wildcat well, which was completed in November 1979.

The incorporation of these two fields into national production will be possible within a short period of time. They are located less than 20 kilometers from the production facilities built by the City-CEPE association. The investment that the projects allowing for this incorporation will require has been estimated at between $7 and $10 million, including a 30-kilometer highway.

The Well

The No 2 Cuyabeno well is considered an outpost and wildcat well.

An outpost, because the Texaco Company drilled the field at the beginning of the 1970's but abandoned it because it did not consider it commercial.

A wildcat well because the reinterpretation made by CEPE native experts afforded the discovery of a structure the importance of which lay in the fact that it could be incorporated into production immediately. The drilling began on 4 December, and reached a depth of 8,100 feet by 27 December.

Forthcoming Drilling

Now that the No 2 Cuyabeno well has been completed, the drill has been moved to the Secoya field, where it is planned to drill two entirely wildcat wells. This field is also located in the northeastern part of the country, near the CEPE-Texaco consortium's Atacapi and Parahuacu fields.

If positive results are accrued from this drilling, the Secoya field may also go into production soon, owing to its proximity to the consortium's production facilities.

2909
CSO: 3010

HUMBERTO ORTEGA INTERVIEWED ON FSLN STRATEGY

Havana BOHEMIA in Spanish 28 Dec 79 pp 5-20

[Interview with Humberto Ortega, commander in chief of the Sandinist People's Army, by Marta Harnecker; date and place not given]

[Text] "Without the monolithic unity of Sandinism; without an insurrectional strategy based on the masses; without due coordination between the guerrilla fronts and the military fronts of the cities, without an effective wireless communications for coordinating all the fronts, without a radio for orienting the movement of masses, without significant technical-military means, without a solid rearguard for introducing these resources, for preparing and training men, without a prior activity of victories and defeats, such as took place as of October 1977 in Nicaragua, where the masses were subjected to the most barbarous repression but, at the same time, the greatest training school; without a policy of skillful, intelligent and mature alliances, there would have been no revolutionary victory."

This brief summary of the conditions which allowed a people's victory in Nicaragua flows in a vigorous, rapid and sure manner from the mouth of one of the most outstanding Sandinist commanders: Humberto Ortega, today the highest military leader of that country. It was made after a long talk in which, motivated by the questions of the journalist, he makes a critical recapitulation of the principal moments of the armed struggle waged by the FSLN [Sandinist National Liberation Front] and the Nicaraguan people beginning with the October 1977 offensive. The purpose of the interview is to make known the political-military experience, which led to the revolutionary victory in that Central American country, through the eyes of one of its most lucid protagonists. This is also another way of heading off in time the incorrect interpretations usually made abroad, with good or bad intentions, of revolutionary processes. Did this not happen with the Cuban Revolution? But before we go on to main topics of this interview, let us make a brief summary of the political career of our speaker.

A veteran anti-Somozist fighter, despite the fact that he is only 37 years old, Humberto Ortega was the principal strategist of the rebellious armed offensive which overthrew the tyrant in July 1979, thirteen years before, with a pistol, a Molotov cocktail and a few tacks, he and a group of companeros had tried unsuccessfully to destroy him physically. Three years later, in 1969, he was wounded and taken prisoner, partially losing the use of his left hand and completely losing the use of his right, after the failure of an operation organized by the FSLN to free Carlos Fonseca, the highest Sandinist leader, a prisoner in Costa Rica. However, his imprisonment did not last very long because on 10 October 1979 he obtained his freedom due to the action of another FSLN commando, led this time by Carlos Aguero, who hijacked a Costa Rican aircraft with four Yankee officials of United Fruit and exchanged them for the imprisoned Sandinist leaders. As a result of that operation, he made his first trip to Cuba. The son of a modest but completely revolutionary family, he was born in Masaya in 1942. His parents were in prison because of their antidictatorial activities. His younger brother, Camilo, died while making efforts to lead the spontaneous uprising of the Indians of Monimbe in February 1978. His older brother Daniel, today a member of the National Leadership of the FSLN and the Government Junta, spent 7 years in Somoza's jails, also being freed by an FSLN operation in 1974. Since very young, Humberto became a determined activist of the anti-Somoza and anti-imperialist student movement and already in that era he began to prepare himself physically for armed struggle. In 1965-66 he joined the organization of the Sandinist Front, of which he became one of its highest leaders in 1972. When the division into three groups took place in 1976, he went on to head the insurrectionist or "tercerista" group. When reunification took place in March 1979, he became part of the Joint National Leadership. A few months after the revolutionary victory in October, he was appointed commander in chief of the People's Sandinist Army. The reader will find tenacity, firmness, but above all, revolutionary daring, throughout these pages.

Harnecker: The Nicaraguan people's armed struggle for their liberation has been a long struggle. I know your book "Fifty years of Sandinist Struggle," where you tell of its great milestones up to 1975. Two years ago, however, such a quick victory seemed impossible. What determined the great leap forward given by the revolutionary process, which culminated with the overthrow of Somoza and Somozism?

Ortega: Well, before directly answering your question, I would like to make a brief summary of what I expounded in the book you mention, although it is very difficult to do this without becoming involved in simplifications and omissions.

The revolutionary movement integrated in our country in the 30's with the struggle by Sandino....

Harnecker: Which was integrated or which began?

Ortega: Well, we say integrated because it put together all the previous efforts at revolutionary struggle in Nicaragua and, moreover, because Sandino managed to collect the most revolutionary ideas of his era and managed to integrate them into our historical process.

He undoubtedly initiated it and in its development he integrated a number of factors of political, ideological, anti-imperialist and internationalist nature and of military experience. It is in that sense that we speak of integration. This means that the 7 years of struggle by Sandino against the Yankees left us a number of programatic historical elements, revolutionary ideas, which we adopted.

It is necessary to remember that including Sandino's struggles, there have been nearly 33 armed movements in Nicaragua up to this time against imperialism and against the oligarchy, movements led by the liberal factions which represented the revolutionary sectors of that time. The struggle waged by Sandino suffered a hard reverse with his death and that of the other members of his staff. However, despite that, in one way or another, the people continued to respond to oppression. They were poor, limited and scattered responses but they increased little by little.

The greatest intensification of those struggles took place in the 50's. It was in that decade that Anastasio Somoza Garcia, founder of the tyranny, was executed by Rigoberto Lopez Perez. It was an individual action, not the simple killing of a tyrant but, as its perpetrator declared: "The beginning of the end of the tyranny."

In 1954, when Fidel was in the Sierra, an armed movement headed by Ramon Raudales began and the following year there was the guerrilla movement headed by Carlos Fonseca. From 1956 to 1961 there were nearly 19 armed movements which sought ways to confront the dictatorship.

The victory of the Cuban revolution brought a great political reactivation. It had a profound impact on our people who saw in practice how a tyrant could be overthrown.

This phase from 1959 to 1960 represented the forging of conditions for the creation of a revolutionary vanguard capable of placing itself at the forefront of the revolutionary and popular front in the same manner and with the same certainty as Sandino.

In 1961, from the merger of several armed groups, there emerged the Sandinist Front as a different alternative to the forces, which at this moment were leading the struggle against Somoza: The so-called historical parallels or liberal-conservative forces.

The Sandinist Front presented a new alternative for that period but acknowledging the legacy left by the revolutionary movement initiated by Sandino.

After its foundation, there was a long period during which, in addition to the organizational and military experience which was very important for the future of the movement, the FSLN fundamentally accumulated moral authority, self-sacrifice, example, and tenacity so as to reach the masses and organize them, so that the masses would have confidence in their vanguard. During that period, Somozist repression was particularly aimed against the guerrillas.

The most important action accomplished by the Front to make itself known to the world took place on 27 December 1974 when it seized a house filled with Somozists, a million dollars was obtained, and for the first time, the Sandinist revolutionary ideas were revealed on a radio and television network and political prisoners are rescued.

The objective sought by that action, which seemed somewhat isolated, was not achieved: The strengthening of the guerrillas in the mountains. Somoza unleashed a tremendous repressive campaign in the cities, rural areas and the mountains where the movement was working to organize the guerrillas which were engaged in a phase of recruiting and forming armed columns. From 1974 to 1977 there were thousands of dead and thousands of those who disappeared.

That repression and our weaknesses did not allow the guerrillas to assume the military offensive. We were not capable of organizing all that political and emotional outpouring, which that action produced. This allowed the enemy to take the initiative away from us. He mounted a campaign of press censorship, state of seige, martial law and military courts.

That situation of certain stagnation is interrupted in October 1977 with the Sandinist offensive, which begin with the seizure of the National Guard Barracks in San Carlos, near the border with Costa Rica, on the 13th. And it continued with the attack on, and seizure of, the town of Mozonte, 5 kilometers from Ocotal, department of Nueva Segovia on the 15th, where the guerrilla fighters held a meeting in the public square before withdrawing. Two days later, the main barracks of Masaya are attacked, a scant 20 kilometers from the capital, at the same time that there is a large ambush of an enemy movement. Four companeros managed to hold all the enemy forces coming from Managua toward Masaya for more than 4 hours. On the 25th, three squads of an FSLN column seized the town of San Fernando and the troops at the barracks surrendered.

These incidents began to mark a political-military qualitative leap. As of that time, a flexible practice in the handling of the policy of alliances was begun. The Group of 12 appeared there.

Harnecker: But what is it that allowed the events of October 1977?

Ortega: October 1977 took place because of a method of offensive type given to armed struggle at a time when the crisis of Somozism was very acute.

After the 1972 earthquake, the situation of Somozism became worse. Bureaucratic-military corruption became worse. And while this bureaucratic corruption basically affected the masses, it also affected the sectors of the petit and middle-class bourgeois, broadening the social base which opposed the dictatorship.

On the other hand, business circles begin to lose confidence in the ability of the dictatorship to insure proper conditions for the development of the country. There existed, therefore, a growing internal resistance by all sectors of the country. To all this was added the ever-increasing international doubt about the regime because of its repressive policy.

While Somoza was losing his political and moral authority more and more, we were winning it despite the difficult conditions under which our tenacious guerrillas carried out their struggle to halt the military initiative in the mountains of the north, initiative which Somozism had managed to wrest from them in practice since the end of 1975.

This stubborn effort, plus daily ant-like activity our members were realizing in the rest of the country, allowed our movement, which was far from being destroyed, to maintain itself present even under those difficult conditions. If this had not been done, there would have been no political or moral turnabout, which later became a massive military force.

The accentuated economic crisis and the increasing popular resistance unleashed a political crisis in the country. Business sectors, which up to that time adapted their interests to the conditions imposed by the dictatorship, began an openly opposition activity. A group of members of the Conservative Party under the leadership of the director of LA PRENSA, Pedro Joaquin Chamorro, joined the opposition coalition, the Democratic Liberation Union [UDEL], an opposition anti-Somoza organization, controlled by dissatisfied bourgeois sectors. The UDEL demanded the application of political and union freedoms, the abolishment of press censorship and the state of seige, cessation of repression, and general amnesty and pardon for political prisoners and exiles.

Around the middle of 1977, there was a great political bustle among the bourgeois opposition, encouraged by the turn given to North American foreign policy by the new Carter administration.

Imperialism and reaction sought formulas for changing Somozism without questioning its basic sources of power: an immense economic power and the repressive power of the National Guard.

This political context forced Somoza to make efforts to improve his image. On 19 September the state of seige and martial law were abolished and the dictator called for participation in municipal elections.

It is important to consider that these efforts at democratization or remodeling were made in 1977 when reaction and imperialism were convinced that they had managed to destroy the FSLN or at least reduce it to its minimum expression.

From 1975 to 1977 they had played all their cards to crush us militarily. In doing this they devastated great zones of the rural area, carried out repression in the cities, established military courts. Almost all our leaders: Carlos Fonseca, Eduardo Contreras, Carlos Aguero, Edgar Munguia, and Filemon Rivero had been killed.

The FSLN military reply was still very difficult, very limited. Somoza and the Yankees swore they had destroyed us and, therefore, we could not be controlling factors in the crisis. When they believed that we were already well beaten, well dispersed and divided, they thought that it was the time to present a plan for democratization.

It was at that exact moment, and to prevent these maneuvers, that we decided to go on a military offensive.

Once more we took the initiative, which we had taken on 27 December 1974, but attempting to take it in such a way that we would not lose it. We did not have a great organization of masses but we did have the activists and the organizational elements, which little by little allowed the organization and mobilization of the masses. We did not have higher forms of organization of the vanguard, but we were aware that the military element under those conditions could allow us to be present at various times, attaining a political and organizational dimension so as to begin implementing a strategy of insurrectional nature.

Harnecker: How can it be that an offensive was decided upon if the conditions of the Sandinist Front were so uncertain?

Ortega: It is true that our conditions were uncertain and that despite our efforts we could not maintain the military offensive. In practice, we were on the defense and it was necessary to make efforts to break out of that situation, avoiding the assumption of a wreckless spirit as well as a too conservative evaluation of that uncertain and difficult situation.

To accomplish these offensive actions, it was necessary that we rid our behavior of a certain conservatism, which our movement maintained in practice and which led it to practice a policy of accumulation of forces in a passive manner. When I speak of passive, I am speaking generally, not specifically, because in fact actions took place in which the military initiative was seized again.

Harnecker: Could you explain further what you mean by accumulating forces in a passive manner?

Ortega: I understand the policy of passive accumulation of forces to be the policy of not participating at specific periods, passive in the policy of alliances, passive in the sense of believing that weapons, organization and human resources could be accumulated without fighting the enemy, without preparation, without making the masses participate, not because we did not want to do it but because we thought that if we showed too much spirit they would beat us and tear us apart.

We knew that we were going on to the offensive under difficult conditions but we knew that we had at least the minimum resources needed for that new condition.

In May 1977, we had already prepared a program platform in which a strategy of insurrectional nature was already established. This was, in turn, the summary of the strategic evaluation of insurrectional nature we made in 1975, which in its turn was the culmination of efforts in that respect after the death of Oscar Turcio and Ricardo . .es in September 1973 after the coup in Chile. At that time there began an internal discussion within Sandinism on two strategies: that of guerrilla warfare with the mountains as the main support, on one hand, and that of armed struggle with the masses as the main support.

It was the first, somewhat immature, discussion: either the mountains or the cities. To propose that type of difference is not correct.

Harnecker: I would like to ask why you relate the masses with the city and not with the guerrillas?

Ortega: The truth is that the masses were always considered, but they were considered more as a support for the guerrillas so that the guerrillas as such could destroy the National Guard and not as actually occurred: It was the guerrillas who served as a support to the masses so that they, through the uprising, could destroy the enemy. That was the way we all thought. It was reality that changed us and made us see that in order to win it was necessary to activate, not only our guerrilla contingents, but that the masses had to participate actively in armed struggle because the vanguard armed movement was never going to have the weapons needed to defeat that enemy. Only in theory could we have the weapons and the resources for defeating the National Guard. We took notice that our main strength resided in being able to maintain a situation of total mobilization: social, economic and political, to scatter the technical and military capability which the enemy did have organized.

For example, by affecting production, by affecting the highways, by affecting social order in general, the enemy could not properly move his means and resources, he had to scatter them about to deal with mass mobilizations, the barrios, barricades, sabotage, and so forth. That allowed the vanguard, which was building the army, to confront the material forces of the enemy, which were greater, more effectively.

Returning to what I was saying: The reactionary maneuver intended to face that crisis and come out ahead. We took note of that situation, we saw that the enemy had taken a step forward by raising the state of seige and that it sought to give amnesty, and that if it granted amnesty it was going to place us in a difficult situation. That is why we speeded up the steps of the offensive.

Harnecker: An offensive which for you was limited....

Ortega: Well, since we had not yet undergone the insurrectional experience, we thought that by calling in that manner we could mobolize the masses to support those actions. However, reality showed us that we were not yet ready to fulfill all the conditions which would allow a massive response by the people, which would give a typically insurrectional character to that effort. Two years had to go by before that was achieved.

That offensive was contained within the framework of an insurrectional strategy but it was not an insurrection at that time, although we had called for insurrection. Those actions, in practice, were limited to being agitation for an insurrection.

Harnecker: Did you consider what the failure of those actions could mean?

Ortega: Yes, we did that. If we had failed at that time, it would have been a very harsh blow for Sandinism. The risk had to be taken. Now, we did know that we could not be destroyed because we knew the enemy. Obviously there is always that danger, but it was worse to be destroyed without having gone on the offensive because by fighting we had the chance to initiate a process of victory. By not going on the political-military offensive, we had only the chance of being defeated. That was the problem facing us.

Harnecker: Therefore, despite the fact that you did not achieve your insurrectional objective, you did not consider those October actions a failure?

Ortega: We viewed October as a historical achievement because October allows us to thwart the maneuver of imperialism in the first place. When the enemy believed that we were destroyed, we appeared with more strength than ever, that is, we appeared striking blows such as Sandinism had never struck before. They were surprised when we appeared in actions in the cities, places that were sacred for them.

On the other hand, while a crisis existed, the masses did not react against it and they only saw that the vanguard was being beaten. Those actions renewed the revival of Sandinism among the masses and the confidence of the masses in their own political struggles and for their rights. And they led Somozism to commit grave errors, the principal error being that of the murder of Pedro Joaquin Chamorro 10 January 1978.

That murder allowed the great masses to go out into the streets for the first time to express their Sandinist sentiments which for many years they had repressed. Therefore, October aggravated the crisis, which at that time imperialism and reaction were about to control.

Harnecker: When did you begin to prepare the October actions?

Ortega: Since before May 1977 we had already been obtaining weapons, producing the political and strategic plans, such as the program platform I spoke to you about, seeking ways of organizing ourselves with the people who at that time knew about us.

We reacted with what we had accumulated for that opportunity. We had been accumulating, accumulating for a greater thing, but one cannot accumulate for any but existing opportunities, because otherwise, nothing would be accumulated.

We invested in that situation, aware that our effort was going to be matched because we saw the existing crisis, the maneuvers by the enemy; we noted that we were on the defensive, we saw that we had to react at those moments. If we had been conservative and had said: "No, let us accumulate forces in silence," the opportunity would have been lost for us and the enemy would have seized it, thus creating the conditions for beating us for once and for all, or at least for a long time, because they would have managed to confuse the people with a few improvements, making our proposals hard to understand.

The October actions allowed the thwarting of the enemy maneuver and they make Sandinism to appear as a strong movement. On the other hand, from the military point of view, those actions were not a complete failure. In Masaya, for example, the barracks could not be taken, but the majority of participants emerged alive. In the north, the guerrillas remained active from October until May of 1978 in what was called the Carlos Fonseca North Front. In the attack on San Carlos, a few companeros were killed, but that was our military victory. We could not hold on to it, but it was not like the Moncada Barracks in Cuba in 1953; we were able to strike, withdraw, gather strength and strike again.

To demonstrate this, 4 months later we were taking two cities and we were for the first time approaching an antiguerrilla camp in the Nueva Segovia zone.

If it had been a matter of a failure, it would not have been possible to be in a position within a few months to go on to those other types of actions. As of October we embarked on a rising political and military spiral.

Harnecker: And the masses in October...?

Ortega: As far as their active participation was concerned, there was no reaction by the masses in October.

Harnecker: They were, therefore, only actions by the vanguard?

Ortega: Yes, by the vanguard, which at the same time that it aggravated the crisis, that it thwarted the plans of reaction and allowed a consolidation of the vanguard, also began to strengthen a certain activity by the masses, which despite repression, they had already been carrying out through struggles in demand of union and political rights. These actions, therefore, manage to strengthen the movement of masses, which later became actively insurrectional.

Harnecker: But did that offensive not result in the adoption of more repressive measures by the dictatorship against the people?

Ortega: Yes, in its desperation, the regime was led to indiscriminate repression. Somozism repressed the revolutionary movement in a brutal manner. Repression, which had been on an upward move, was aggravated by these October actions.

Harnecker: Well, then, were your actions not judged as reckless actions which were only going to result in greater repression of the people?

Ortega: Yes, some circles of the left devoted to the work of creating unions and so forth said that these actions were going to break up the organization and consolidation of the masses, but it was not that way. It is true that repression was going to strike the open, legal organization of the masses, but was not going to strike at their truly revolutionary organization. To accept those ideas was to fall into the trap which imperialism was creating with the democratic-bourgeois opening in which the union movement was to have participation. To us it was preferrable that there not be that emasculated union movement.

In summary, the leap forward was given in October 1977 and the crisis was aggravated. Then came the murder of Pedro Joaquin Chamorro, which aggravated the situation even more and made it completely irreversible due to the ever-increasing permanent insurrectional participation of the masses in the cities, barrios, everywhere.

Then came the seizure of the city of Rivas and the seizure of the city of Granada (2 February 1978). Companeros, who later fell in the struggle, such as Maj Camilo Ortega Saavedra, who led the taking of Granada; guerrilla Major-priest Gaspar Garcia Raviana, a Spanish internationalist, and other companeros such as Panchito Gutierrez, participated in these actions.

Harnecker: When did the masses begin to join the insurrectional process?

Ortega: The October 1977 actions gave a great boost to the movement of masses, but it was because of the Pedro Joaquin Chamorro murder that they were unleashed and this allowed us to see clearly, as if in an x-ray, the potential, the determination and the Sandinist will to fight they have, and it led us to bring them into the armed activity.

That mass uprising which took place because of that incident was not entirely led by the Sandinist Front. We must be clear about that....

Harnecker: Was it a spontaneous action?

Ortega: It was a spontaneous reaction of the masses, which Sandinism finally began to lead with its activists and with some military units. But it was not a mass movement which reacted to a call by Sandinism. It reacted to a situation which no one had foreseen.

Now, the capability we had for maintaining ourselves within that mass movement was still limited at that time, and our objective was the reaffirmation of our political and military presence within those masses, although not yet from the point of a specific organizational point of view because we did not have the cadres for that.

From October on, we began to take steps in that respect: the activists, the mechanisms...and rapid and permanent new forms of organization of the masses were being developed: the district committees, work in some factories and the student movement. The birth of the United People's Movement [MPU] was initiated before October. It was the result of Sandinist efforts to regroup the revolutionary organizations around its ideas for confronting Somozism and achieving the leadership of the people for our process of national and social liberation.

When the sectors of the bourgeois opposition begin to retreat in the strike, the FSLN made itself present with the 2 February armed actions.

That is why we decided to seize Granada, Rivas and the antiguerrilla camp in Santa Clara, Nueva Segovia.

These actions, which included the seizure of two cities and an anti-guerrilla camp, were headed by German Pomares, Victor Tirado and Daniel Ortega in the seizure of the antiguerrilla camp; by my younger brother Camilo at Granada, and by Eden Pastora and Father Gaspar Garcia at Rivas.

It was the first crushing blow in that crisis. These actions, which appeared as being of great scope, multiplied the spirit of the masses and their determination in the anti-Somoza struggle at the same time. This time, however, they saw that the vanguard was strengthened, that it had a combat capability, the ability to strike at the enemy, the capacity for seizing cities. This meant that they saw a considerable improvement from October to the time of those actions, just as they saw a considerable improvement in October with respect to the defensive positions Sandinism occupied at that time. Therefore, we were on a upward spiral because the actions which took place in February were greater than those of October.

Harnecker: Was having to withdraw from the seized cities later not a failure?

Ortega: No, no, because the cities were taken, weapons were taken from the Guard, they were defeated, the enemy was harassed and he continued to be struck whenever it was possible. Everyone remained in the cities or around them.

At that time, the Carlos Fonseca column was already operating in the North without suffering a single tactical defeat.

At the same time, the guerrilla forces of the Pablo Ubeda column in the mountain areas, managed to regroup when it gained a breathing spell because the Guard was forced to ease the pressure it was exerting on it at the time. The Nueva Segovia guerrilla movement had much more influence on the vital economic, social and political centers by remaining closer to them. But it was the traditional guerrilla movement, the ones which were still maintained in the mountain areas, which allowed the growth and the moral and political hegemony of Sandinism until October.

This means that October continued to be an action which took place from the point of view of armed efforts, primarily in those mountain areas because that was the way operational conditions of the time required, however, there came a time when armed struggle had to move to zones of greater political influence.

It was not a matter of hoarding what had been accumulated but a matter of increasing it. If we remained there, we were hoarding. if we moved to other zones, we were increasing ourselves.

The entire impact of the February actions had their maximum expression in the uprising of the Monimbo Indians. It was the first insurrection as such, organized, and prepared beforehand by the Indians and the Sandinists there. The fighting lasted almost a week until 26 February. The enemy crushed this partial insurrection....

Harnecker: Do you mean to say it was the only one in the country?

Ortega: Yes, but at the same time, that partial insurrection was the soul of the masses at a national level, it became the heart of the insurrection which must take place at a national level.

Harnecker: When you planned the insurrection of Monimbo, did you consider the limits it had because of its isolated nature?

Ortega: We did not plan that insurrection, rather we placed ourselves at the forefront of a decision made by the native community.

Monimbo took place around 20 February and it lasted for a week more or less. The seizure of several cities (Rivas and Granada) and the actions of the North Front created a great expectation among the masses, a great excitement, and they were already beginning to adopt the insurrectional slogans the FSLN had issued beginning in October by means of pamphlets, painting of walls, and leaflets which were distributed throughout the country. However, the vanguard had not been able to make a more organizational contact with that more politically uneasy sector of the masses. This sector, encouraged by the effective blows struck by the FSLN against the National Guard, in the midst of the political crisis of Somozism and existing social and economic problems, moved faster than the capability of the vanguard for channeling all that popular spirit.

The district of Monimbo, which is a district of Masaya with urban and rural zones of nearly 20,000 inhabitants, began to prepare spontaneously for insurrection. They began to organize themselves block by block, they surrounded the entire district with barricades, they began to take possession of the key points of the district, they began to exercise the people's justice for the first time. They began to command as a Sandinist body, without yet having the organized Sandinist leadership. That does not mean there were no Sandinists there. They were there, and it was precisely Camilo Ortega who went to Monimbo to try to lead that insurrection with contacts we had there and he was killed in that action.

Harnecker: Well, that is different, then it was not a matter of an insurrection planned by you. Now, if you had been able, would you have tried to stop it?

Ortega: It was very difficult to do that because that uprising was due to an objective development of that community. Obviously, in our plans, perhaps we would have postponed it for later on or guided it in another direction. Perhaps we would not have encouraged armed struggle in that way but rather another type of mass activity, but that is the way things happened. This sector of the Indians reacted immediately in this manner to the incentive of the seizure of cities, which the FSLN had accomplished days before.

At the end of February, the vanguard did not have any organizational development or the means for guiding that determination and will to fight present in the masses.

Harnecker: Because an isolated uprising undoubtedly means that the enemy can concentrate his forces against it...

Ortega: Obviously, and that is exactly what we learned in practice.

Harnecker: Then it is important to know of other historical experiences to avoid errors...

Ortega: Yes, we, the vanguard, knew of those historical experiences but the masses did not know them.

Harnecker: Then it was the people's apprenticeship?

Ortega: Yes. We, the vanguard, knew of that from the classics. The principle of the concentration of forces is a truth, one of the basic principles from years back.

The important thing is that in our case we underwent that experience despite the vanguard. They knew very well that it was leading to a reverse, but at the same time, it was a temporary reverse because the decision of Monimbo helped the morale and the efforts of the rest of the people who were going to engage in insurrection.

Therefore, up to what point can it be said that it was a historical error? Up to what point was that a mistake by the masses or was it simply all that the masses could do at that moment? Actually, that example helped as much on the national as on the international level for the victory and development of the insurrection later on. Perhaps without that painful step of sacrifice it would have been more difficult to achieve that moral authority, that agitation of the national masses, that spirit of support of one man for another because he had seen how he sacrificed himself alone, and in turn, the support of the world for a country which was sacrificing itself alone. Perhaps without that example it would have been more difficult to accelerate the conditions of the revolution.

This was an experience which taught us and which taught the people.

With the experience undergone from October to Monimbo, we saw that there was a willingness among the masses for insurrection but that there was need for more military organization, more mass organization. There was the need for a ripening of political conditions. There was a need for more agitation, there was a need for elements for increased agitation such as a clandestine radio station.

There was more need to organize the masses, mobilize them for war through at least minimum means of organization.

Harnecker: The problem of the radio station was something you had recently thought of at that time...

Ortega: We had already thought of it in October but we had not been able to install it. We had a radio in 1960, which had been used by the first anti-Somozists, but it was old and we could not put it into operation at that time.

Nevertheless, we fixed it later and we put it into operation in those months of 1978. It was half-heard around Rivas, just half-heard...In that period we already had a full awareness of the need for a radio, for a means of communication with the masses so that we could educate them for insurrection.

Continuing with the development of the idea, there was a gathering of strength in the midst of a tremendous activity of struggle, including the execution of Gen Regualdo Perez Vega, the chief of the National Guard, and the seizure of the palace in August, and concluding the first phase of this entire insurrectional movement, which began in 1977, with the first great national uprising in September 1978.

Harnecker: At that moment you called for the insurrection and thought that it would be successful?

Ortega: We called for insurrection. A series of events of objective nature affected us which did not allow us to be more prepared. In fact, we could not say "no" to the insurrection. The mass movement was beyond the capability of the vanguard to head it. We could not place ourselves against this mass movement, against that river; we had to place ourselves at the forefront of that river so as to more or less lead it and direct it.

In this respect, the vanguard, aware of its limitations, placed itself in the lead of a general determination of the masses; determination and will, which in turn was taken from the example of Monimbo, which in turn the Indians of Monimbo took from the vanguard.

This means that the vanguard gave the example in October, the masses followed it for the first time in an organized manner in Monimbo, the Vanguard created the conditions for that example, and the masses advanced faster than the vanguard because there existed a number of objective conditions such as the social crisis, the economic crisis, and the political crisis of Somozism.

And since Somozism was so rotten, each of our actions more than multiplied the evaluations we had made of agitation and the impact that each of those events could have. We could not, however, cease to strike because of that. It was very difficult to hit the target. We hit the target but we did not hit the bull's-eye.

We had a winning spirit but we knew that we had limitations in obtaining that victory. We knew that it was difficult, but without that spirit we could not win because it is with that spirit that man achieves his greatest readiness of mind to give his blood.

On the other hand, if at that time we did not give form to that mass movement, it would have become a generalized anarchy. This means that the decision of the vanguard to call for insurrection in September allowed the orderly regulation of that fountain, it allowed us to begin to give form to the insurrection and subsequent victory.

Harnecker: What conditions already existed for insurrection?

Ortega: The objective conditions of political and social crisis existed. However, the conditions of the vanguard with respect to a little higher level of organization for leading the masses, and above all, weapons, were not there.

Weapons were not there but the rest of the conditions were.

Harnecker: There was a very great economic crisis but Somoza still had many instruments of power, primarily the army...

Ortega: Correct, precisely the army. And we still did not have something, and that was the experience of a national insurrection, the hardening of the masses in that experience and a knowledge of the enemy by the masses, an enemy who showed so many weaknesses in that experience. And we did not have enough weapons, but we knew that even if the insurrection did not triumph, it would be a blow from which Somozism would never recover. We were fully aware of that and our conviction was so great that within a month we were once more calling for insurrection.

Meanwhile, there were some companeros of the left who maintained that September practically denied the possibility of a quick victory, that those actions had been a strategic error, a defeat, and for that reason delayed the final victory.

And they were mistaken, because September was not a victory but neither was it a defeat from a strategic point of view. It was a historical achievement with positive and negative aspects.

Harnecker: Then what is the final verdict?

Ortega: That it was an accomplishment because we grew as a vanguard. If there were 150 of us men participating in that insurrection, we emerged from it multiplied into very much larger numbers; three or four times that number, and in terms of attracting others, we numbered in the thousands. This means that we increased in the number of men and in the quantity of weapons because we wrested weapons from the enemy. In practical terms, we had hardly any deaths among the vanguard. There were deaths because of the genocide practiced by Somoza but there were few cadres killed in combat, which means that we conserved our forces.

Harnecker: How do you sum it up from a military point of view?

Ortega: We conserved our forces, we acquired military experience, we obtained weapons, we learned the enemy, we destroyed the enemy means of movement, and we destroyed enemy armor. The enemy suffered more deaths than we did because the people contributed to that and also because of our own firepower. And we were able to withdraw--this is a great lesson --successfully. For the first time we could maneuver militarily, withdrawing to other points in the same city and the rural area to gather strength for new offensive insurrectional actions which came later.

Therefore, it cannot be said that it was a defeat. It would have been a defeat if they had exterminated us, if they had taken away all our weapons if they had scattered us, dispersed us.

In this respect, despite the fact that it was not a military victory, since we could not take the barracks in the five cities in which the actions took place, it was a great political achievement.

I repeat once more that we engaged in insurrection, because the political situation had been created, so as not to allow them to massacre the people who stood by themselves, because the people, as they did in Monimbo, were acting on their own.

Harnecker: The massacre of the people would have taken place with you or without you anyway?

Ortega: No, it would have been worse because we at least channeled the will of the people as we did in Monimbo, but on a greater scale now. That is why I told you that we had an upward spiralling development. The vicious circle never happened here.

At the last moment, the peasants came down to join the struggle in the cities. In Chinandega, for example, the safe houses where 3-hour lessons were being given, were crammed. The people were going to go out into the streets. The people were going to be the vanguard of that struggle. Then there was nothing else to do but to place ourselves at the front of that wave to lead it and try to obtain the most positive things it could provide. We placed ourselves in the forefront of that movement and we led it in five cities. It was the first national insurrection led by Sandinism, but it was mainly due to the pressure of the masses.

Harnecker: Does this mean that in order to call for insurrection you mainly consider the state of mine of the masses?

Ortega: Correct, because the spirit of the masses increased, intensified and became invigorated by the seizure of the palace in August, which was the newest ingredient for the insurrection in September.

Harnecker: When planning the seizure of the palace, did you think of the effects it would have on the masses?

Ortega: We knew that the movement of masses was coming but we preferred that it come rather than not come.

The important thing was to head off the maneuver by imperialism, which it intended to initiate in August, aiming at a coup d'etat to place a civilian-military junta in power to wrest power from the revolutionary struggle.

This action was a reaction to that maneuver. We saw that if we did not have a great party organization, if we did not have a working class, and in general, a working class organized into a bloc , the only way to have a political presence was with weapons. That is why there were many actions, which because of their form were military, but which by their content were profoundly political. Such was the case of August.

It was a military action but it was not in answer to a political situation but more an answer to a military situation. It was the same in October 1977; it was a reaction to the need to recover the military initiative and also to stop the political maneuver.

Harnecker: That means that when some ask themselves why you began the September insurrection without first having achieved the unity of the three factions, that is explained...

Ortega: At that time conditions for unity were not present. The struggle had to be intensified first. All the factions worked.

Thus, little by little we began to come to agreements, but around a line which in practice was being imposed, not our line, but that which the people were demanding.

After Monimbo we dismantled the Carlos Fonseca Column and sent it to the most important parts of the economic, social and political activity of the country. For us there was no mountain-city separation, we had to be with the masses.

We scattered that column of 40 men and sent some to Esteli, others to Managua and others to Leon. The column allowed us to educate those people, allowed a more complete training because they were gathered there under the influence of members of the leadership such as German Pomares and other leaders of our national leadership. Thus, a little group of cadres was formed, which we later sent to the city to prepare the insurrection we were taught at Monimbo.

With everything that took place from October to Monimbo, we said: "We must place ourselves at the head of that movement of masses so as not to allow repression to exhaust it because if it becomes exhausted it does not matter how many guerrilla columns we have, we will not win quickly."

Then the most important aspect of victory was not the military aspect but the participation by the masses at this period of the insurrection. We always fought to maintain the activity of the masses. And at the end this activity was declining, two years of uninterrupted activity had gone by after October and repression was ever greater. The National Guard disguised itself as guerrillas as rebels, and since the night belonged to the guerrillas, they went into the barrios and killed the people.

Repression was such that some sectors of the people were beginning to withdraw.

As far as we were concerned, all strategy, all political and military steps were taken, keeping the masses in mind, trying to keep the spirit of the masses from weakening, and that is why we carried out actions which did not fall within a political-military area and a plan, but which responded to the need to continue motivating the masses, to continue giving them oxygen so that this movement of the masses would not weaken in the cities, a movement which was allowing us to gather strength. It was the activity of the masses which allowed the armed movement to gather the strength that the masses themselves needed.

We acted so that this mass would remain in movement and that is why at times there were isolated actions of a military type but which were a reaction to a strategic political-military situation, which was that of maintaining the pressure of the masses, giving oxygen to the masses because only in that way was there a possibility of a military victory.

Our insurrectional strategy revolved around the masses and not the military. We must be clear about that.

Harnecker: But, in fact, did not the accent on urban insurrection instead of on the guerrilla column means a very high human and material cost? The fact that the struggle was centered in the cities made repression easier, for example, the bombing of cities...

Ortega: That question makes no sense because that was the only way of winning in Nicaragua. If it had not been that way, there never would have been a victory. We simply paid the cost of freedom. If a more saving way had existed we would have chosen it, however, reality taught us that in order to win we had to work with the situations at hand, good or bad or disorderly, and which had a very high social cost.

To try to explain to the masses that the cost was very high and that they should seek another way would have meant the defeat of the revolutionary movement and more than defeat, it would have meant falling into a utopia, a paternalism an idealism.

Liberation movements must learn that the cost of their struggle will even be much higher than that of ours. I, at least, do not see a victory in Latin America anywhere in which there is the massive participation of the population and with a complete economic, political and social crisis similar to that which was present in Nicaragua.

In that respect, I must point out that in my very private opinion I consider it very difficult to seize power without creatively combining all forms of struggle where they can be developed: rural area, city, barrio, mountain zones, and so forth, but always revolving around a concept wherein the active masses are the mainspring of that struggle and not where the vanguard is the focal point, viewing the masses only as a support for it.

Our experience showed that it is possible to join the struggle in the countryside with that of the city. We had struggle in the city, in the lines of communications, just as we had guerrilla columns in the rural and mountain zones also. But these columns were not the main part of the victory but simply a part of a greater part: the armed struggle of the masses. That is the main contribution.

In May, after that September, the movement advanced in military and political strength, the activity of the masses intensified, and there were barricades and the daily struggle in the barrios, something which could not have been done if there had been a strategic defeat.

From September until we launched the offensive in May, the burden of military activity was borne by the guerrilla columns of the North Front and those of Nueva Guinea, which were columns which were in rural and mountainous zones. The final offensive began with the seizure of the town of El Jicaro in Nueva Segovia. Here, in March, Maj German Pomares carried out various military actions, which overcame the enemy garrisson and at the same time, lured the reinforcements sent by the National Guard to aid the defeated forces in El Jicaro, to fall into several ambushes. These actions continued with the seizure of Esteli in April by the Carlos Fonseca Column of the North Front. The seizure of Esteli was the work of a guerrilla column, not the work of a popular uprising. It was after the action by the column that the masses joined in.

Harnecker: But why was an isolated city seized once more? Did this not repeat the experience of Monimbo?

Ortega: No, because we were not defeated in Esteli, the Guard was not able to scatter the people who were there The companeros withdrew, breaking the fence, and they showed how thousands of guards were not able to defeat a column of less than 200 men. It is true that the seizure of Esteli was ambitious at the time. What happened was that instructions were given for actions around the zone of Esteli and the companeros fell directly upon Esteli. These were actions which were within the perimeter of the North Front; they were tactics of mutual support between the forces of the North Front. But the situation in the country was so rotten that the seizure of Esteli created a national expectation which accelerated the insurrectional offensive.

After September, therefore, the burden of the war was borne by the guerrilla columns of the North Front. At the same time, a nation-wide harassment was maintained by the militias and other combat units of the Sandinist forces. Hundreds of thugs and informers were eliminated. After the insurrection, the people took notice that they had not lost and they were left filled with fury at the repression.

Harnecker: That means that the type of blow being given to the enemy was greater than the repression he could unleash?

Ortega: It was greater. The people were already toughened and had such a thirst for victory that the crimes of September, far from frightening them, encouraged them. All of them had a relative or a friend killed. There was a thirst for vengeance. Popular vengeance, that is what the people wanted and we were not going to oppose them.

The final offensive began in March 1979 with the seizure of El Jicaro. At that time the merger of two factions was being accomplished. All were in agreement that an offensive should be unleashed in the North; there was already a consensus in favor of insurrection. El Jicaro was followed by Esteli. After Esteil came Nueva Guinea. A military reverse for us, however, it bogged the enemy down, it wore him down. It was a sacrifice of 128 men...The plan was correct but the companeros were not able to handle some tactical situations and were beaten by the enemy.

Harnecker: What was the plan for Nueva Guinea?

Ortega: To put that column there, to bog down the enemy, fight guerrilla warfare, while in the rest of the country this created conditions so that with the Guard scattered, a political-military work could be done in the cities. Repression was going to be felt less because the Guard was going to be bogged down in Nueva Guinea. But the companeros, instead of fighting guerrilla warfare, went into the flatlands where they were more easily beaten.

Harnecker: That means that at that moment the main part of the struggle was being borne by the guerrilla columns.

Ortega: The movement of masses did not allow the enemy to send all his military strength there where the columns were, but in turn, the movement of the columns forced the enemy to go to them, which eased the struggle by the masses in the cities.

The enemy was in a dead end alley. If he left the cities, the movement of masses would escalate. If he stayed in the cities, the movement of the guerrilla columns was made easier.

Harnecker: That form of armed struggle combination was something thought out beforehand or was it something learned along the way?

Ortega: Look, those are things which are learned in the struggle and they are used. We knew that it was going to be that way. We planned an activity in the North so that the Guard would go to the North and so that the rest of the country could prepare easier.

Harnecker: But that statement you made that the struggle by the masses in the cities allowed the military strengthening of the guerrillas is an after the fact conclusion. That was not planned that way was it?

Ortega: That is correct. That is the way we summarized a practical experience. Returning to the sequence of actions, after Nueva Guinea there was the seizure of Jinotega in May, then there were the battles of El Naranjo in the South Front. It was on the basis of these battles that we called for the final insurrection.

Harnecker: Why did you make the call for the final insurrection in May?

Ortega: Because a number of objective conditions, which were more and more profound, were already present there. There was the economic crisis, the devaluation of the cordoba and the political crisis. After September we saw that it was necessary to bring together, at the same time and in the same strategic space, the uprising of the masses on a national level, the offensive of the military forces of the front, and the national strike in which, of course, management would be involved or in agreement.

If we had not merged these three strategic factors at the same time and space, there would have been no victory. A national strike had already taken place several times, but without joining it to the offensive of the masses. There had already been an uprising of the masses, but without it being joined with the strike nor with the real capacity of the vanguard to deal effective blows. There had been blows struck by the vanguard, but without the two other factors being present.

Those three factors were joined in a certain fashion in September, but they were not fully joined because the process was not yet led completely by us. After September, we clearly proposed, through an internal circular, that if those three factors were not joined there would not be any victory.

Without the unity of the Sandinists it would have been very difficult to gather and synthesize all the accomplishments historically accumulated up to then by the various factions into one single practical line. That is why we can say that unity played, and will continue to play, a vital role in the revolution.

Harnecker: And should there not be still another factor? At least from abroad there appeared to be a balance of power that was difficult to break.

Ortega: That was the military problem. I will explain that to you later. Now we are looking at the strategic factors. Somoza had lost the war since May and he had lost the war strategically. It was only a question of time.

Harnecker: But if you had not received the weapons you received in the final weeks could you have won?

Ortega: Correct, I am going to deal with that. But before that, I want to point out that it is very important to join those three factors. After September there was El Jibaro and an attempt was made to continue with Esteli but it was not possible to coordinate well. The Esteli action took place and it was practically an action by the vanguard, important but it also took place isolatedly. The Nueva Guinea action took place and it was practically an action by the vanguard, important, but it also took place isolatedly. The Nueva Guinea action took place to support that of Esteli but at a time when the Esteli forces were already withdrawing, the Nueva Guinea action awakened a great national interest, a great agitation, and when an attempt was made to mobilize the forces for continuing with that thrust, to accomplish the coordination of all those factors, Nueva Guinea fell and there was the action of Jinotega, which began as an attempt to coordinate with the action of Nueva Guinea and thus coordinate everything.

The seizure of Jinotega coincided with the activity of the South Front and the taking of El Naranjo--a point on the border with Costa Rica where the National Guard had a large force garrisoned in a barracks, which the staff of the South Front decided to seize in coordination with an attack on the city of Rivas, thus initiating the final offensive in the South Front of Nicaragua.

The South Front wanted to take advantage of the scattering of forces resulting from the taking of Jinotega but when it went into action, the Jinotega forces had already withdrawn. That was where German Pomares was killed.

Then we said to ourselves: "If we continue this way they are going to destroy us because they are going to weaken us bit by bit. If we lose at El Naranjo, we lose the chance for a quick military victory."

The El Naranjo action could not be lost. With that in mind we prepared a plan which at that time fell basically upon the internal front, which meant the fronts which consisted basically of the cities since at that moment the forces of the guerrilla columns were scattered. They were recovering from the battles they fought previously and were not able to act immediately. Therefore, the insurrection was initiated with the awareness that the columns of the North, those of Pablo Ubeda, which were in the mountainous zones, were not going to have any effect initially but would have one later.

The insurrection we envisioned had to be sustained on a national level for at least 15 days so as to give time to the columns to regroup and act at the proper time, making the military situation of the enemy totally irreparable and in this fashion create a total strategic seige from which the enemy could not escape and from which a victory would be only a matter of time; inflict the maximum wear and tear on the enemy and then initiate the final attack on him. It was a weakening of the enemy determined by the cutting of his lines of communication, the isolation of all enemy military units because of a lack of supplies and so forth, presenting an enormous fighting front on a national level, which Somozism could not handle.

That is the way it happened. What happened? We made an insurrectional plan at that moment. Fundamentally for the cities, it was established that once the Benjamin Zeledon Column of the South Front entered the battle of El Naranjo, insurrection had to begin in the Rigoberto Lopez Perez Western Front a few days later, and that once the insurrection was begun there, this was going to create a difficult situation for the Guard: Large-scale attacks in the North, large-scale attacks in the West and attacks in the South. Days after the battles of El Naranjo, our forces were to go fight in Masaya, Granada and Carazo to cut the lines of communications to the forces which Somoza had in the South Front, and that is what took place. And once these fronts were fighting, the insurrection in Managua was to begin.

Harnecker: I interrupt you. Was it in El Naranjo where the Sandinists suffered a defeat and had to withdraw to their rearguard?

Ortega: No. We did not suffer any defeat in El Naranjo. What took place was a military maneuver, that is, we left the hills of El Naranjo

and a few days later Penas Blancas and Sapoa were taken. These were the main military bases the Guard had in the South Front. It was possible to rescue Major Bravo from Sapoa and from then until the end of the war, there is a war of positions in that zone.

Harnecker: Returning now to the question on the military balance of forces and the problem of weapons, what was your initial plan?

Ortega: We counted on taking weapons from the enemy.

Harnecker: But that did not happen.

Ortega: It did, partly...What actually happened was the following: The offensive by the vanguard was unleashed and coordination with the other fronts was achieved after El Naranjo. A total strike was called and Radio Sandino played an important role in that strike. Without that radio it would have been difficult to maintain that strike. The uprising of the masses was also accomplished. Therefore, the three factors of which we spoke, were present. Then, when Somoza began to bog down and could not destroy our forces, his defeat was already only a matter of time, of days, more or less. The results of the strategic situation were already clear. The enemy had already lost strategically, he was only defending himself, but we could not win either, and it was because of the technical element. It was the military technical element which allowed the definition of a war which the enemy had already lost. He could win some battles but not the war. Somoza could no longer emerge from that hole. Now, if there had not been those weapons, perhaps he would have remained for a longer time at a greater social cost, with more bloodshed and with greater destruction of the country. We would be going to win with fewer weapons but with more destruction.

Weapons came, but those weapons did not arrive everywhere and where they did not arrive, the Guard was beaten but with destruction, with the burning of whole blocks so that the barracks could be surrounded by flames. Where there was a barracks and there were not enough weapons, we evicted the people who still remained in houses, that were practically destroyed by the bombings and mortar fire of the enemy, and we proceeded to occupy those houses near the barracks to bring our forces close to it and overcome it. The houses were set on fire to force the enemy to emerge from the surrounded barracks.

The few weapons we had we placed at the exists, at key points, and we fought them with hand grenades. There were thousands of the people's hands with machetes, picks and shovels, with clubs and home-made bombs. Those were the weapons and they demonstrated that they could destroy, as they were destroying, the enemy, but this would make the war longer. Only the technical military element could shorten the final outcome of the war, an outcome which was already decided.

Somoza could no longer have grains, he could no longer have gasoline and he could no longer move on any highway; he no longer controlled the country, the economy was already destroyed, everything was paralyzed. Somoza could no longer govern and could no longer last that way. Added to that was international pressure. At some time Somoza had to leave, be catapulted out.

Harnecker: But tell me, could that time not play against the movement of masses also, exhausting it?

Ortega: No, at that time it could no longer be exhausted, because although there was not yet enough armament, it was already being taken from the enemy and he was being defeated. Obviously, the technical-military element, weapons, that were received played a very decisive role for hastening victory and for being a decisive factor at some points, in some battles, which would have been lost without weapons. We do not know whether those lost battles would have had any effect on the spirit of the masses and on the military situation of the rest of the places, and whether we would have lost the war. In this respect we can say that the weapons played a strategic role and that it is necessary to have a minimum of technical war materiel reserves--bazookas, explosives and weapons with firepower--rather than large quantities, because they are never going to fill the needs of the people. The important thing is for the people to have the will to go out into the streets and to fight with whatever they have.

To recapitulate, the joining of these three factors was accomplished: strike, uprising and military offensive, and before that, the unity of Sandinism was achieved. Without this it would have been difficult to maintain the three factors together and coordinated. Moreover, a very good rearguard network was created, which allowed us to have a decisive technical element at the last moment for deciding the war quickly. And there were communications means which were also vital: wireless means of communication for coordinating one front with another and there was the radio station. Without those means of communication, it would not have been possible to coordinate the war politically or militarily either. We managed to obtain Radio Sandino, which was the main means of agitation for the insurrection and for the strike. Moreover, another element which was attained, was a skillful policy of alliances which managed to isolate Somozism and neutralize the reactionary leanings toward intervention.

Without these elements, without the monolithic unity of Sandinism, without an insurrectional strategy based on the masses, without due coordination between the guerrilla fronts and the military fronts of the cities, without effective wireless communications for coordinating all the fronts, without a radio station for instructing the movement of masses, without technical-military resources of importance, without a

solid rearguard for introducing those resources, for preparing the men, for training them, without prior activities of preparation of victories and reverses, such as took place in Nicaragua as of October, where the masses were subjected to the most barbaric repression, but which at the same time was the greatest apprenticeship, without a skillful, intelligent and mature policy of alliances, nationally as well as internationally, there would have been no revolutionary victory, and the victory was the sum total of those factors. It seems simple to say that, but what it cost us to bring it all together...It cost us an October, it cost us a February, it cost us a palace, it cost us a September insurrection, it cost us all the battles after September: El Jicaro, Esteli, Nueva Guinea; it cost us all the efforts made in the zone of the Pablo Ubeda Column in the mountains, in the zone of the Atlantic coast. All those things cost us in obtaining victory.

Harnecker: And the existence of that rearguard, which was absent in many Latin American guerrilla movements, since when did you implement it?

Ortega: We always had it. We had a direct experience of it for many years back. Our country is not an island like Cuba; it has to support itself necessarily in neighboring countries and the revolutionary movement from the beginning based itself in neighboring movements. Sandino himself went to Mexico and Honduras, many Hondurans joined the struggle by Sandino as did Costa Ricans...then we supported ourselves in Honduras and Costa Rica to satisfy the needs for a rearguard which were difficult to satisfy in Nicaragua itself.

We operated clandestinely in Costa Rica and we operated clandestinely in Honduras. To establish the rearguard at high levels it was necessary, parallel with the activity for obtaining resources and preparing clandestine schools, to implement a work of solidarity with our cause among the organized progressive political sectors of each country, without sectarianism,and not only with sectors of the left, because if we had done that we would have become isolated. We were not given a rearguard, we won the right to have one.

The alliances into which we entered through our work, were vital for obtaining the elements of high technical level.

Harnecker: How did you manage to put into practice a broad policy of alliances being an armed movement? It would seem that it is easier to implement a policy of that type by being a movement of the electoral type.

Ortega: We managed to implement that broad policy because we made ourselves respected and other movements did not manage that because they are viewed as playing a game, because they do not respect them. We won the right to make alliances, we imposed our right. If they had seen us as being a cat, they would not have come close to us. However, they saw us as a force and then they had to ally themselves with us. And they allied themselves with us because of the political program we propose, even if we are an armed movement and have a revolutionary leadership.

The progressive circles took notice that we were a revolutionary movement and that we were not completely in agreement with their ideology, however, they say that we had a political program which in part interested them and they saw that we had military strength. Those three elements allowed us to arrive at a policy of alliances in fact and not in agreement. We did not enter into any agreement. Simply, the rules of the game were explained and action was taken on their basis, they were implemented in fact. Thus we managed to gain political territory.

Harnecker: Can you tell us what role the international correlation of forces played in the victory?

Ortega: It is basic to take into consideration the international correlation of forces, the international situation, the situation of the various forces in the area, the contradictions of the developed countries of the West, and so forth.

It would have been very difficult to win victory with only the internal development achieved. Once we achieved it we noted that it must be joined with the power existing abroad. And to achieve this, a mature, skillful policy had to be applied, making known the revolutionary, democratic and patriotic program proposals of national reconstruction. This was what allowed us to obtain the support of all the mature forces of the world, the revolutionary forces, the progressive forces...

Harnecker: Mature forces? Of whom are you thinking?

Ortega: I refer to the bourgeois forces which saw a phenomenon maturing and did not hurl themselves into reckless actions like those of the CIA, those of the retrograde reactionaries...There are mature forces in the world, which once they know the quality, the strength of a revolutionary movement, even having contradictions with it, respect it. In fact, certain alliances can be made, certain political coincidences arrived at, which add up in the correlation of forces required for taking the final step forward. In order to accomplish this, it is important that program proposals be made for the solution of the real problems of the country, solutions which everyone views as being correct.

What we did was to pose the objective problems: Nicaragua need reconstruction because of this and that reason; it needs national unity for this, and this and this.

On the other hand, it was important to win the support of all, not only the sectors of the left. The Sandinist Front concerned itself with establishing an infrastructure of solidarity in each country, primarily seeking the support of all, and in second place, seeking the support of those who understood us the most.

Now, to go from a position of sympathy to a position of material support is a big step. Who is going to give that material support? Anyone who wants to without any political strings, without us abandoning our principles.

The winning of that great support was due to the skill of the Sandinists. We sought to win over a maximum of foreign power to obstruct any foreign interventionist maneuver. And that is why we even managed to win for our cause sectors of the United States itself.

Harnecker: Tell me, with respect to the Sandinist movement, what did the existence of three factions and their subsequent reunification mean for the process?

Ortega: We said that unity of Sandinism was decisive for the victory. Now, to understand the process of reintegration, a little history is required.

What took place in Nicaragua, more than a deep division of the FSLN, was a sort of fragmentation of the vanguard into three parts, the result of our immaturity at that time.

Harnecker: What year?

Ortega: It began to appear in 1976-77.

Harnecker: What caused it?

Ortega: I am coming to that. More than questions of an ideological or programmatic nature, there existed the concern of all the leaders for finding a solution to the problems of the revolutionary movement, and for trying to structure revolutionary work in terms of those tasks.

Harnecker: I do not understand what you are trying to say very well...

Ortega: The methods we had at a leadership level for dealing with problems were very primitive. In practice there was almost no collegiate leadership. Due to repression, due to the fact that we did not see each other for long periods of time, because there was a lack of a common line, a lack of a political commitment in the form of a statute, each one organized his own work in his own manner. And clashes began. Division did not result from a profound ideological and political discussion, although those types of problems did in fact exist. If there had existed a less primitive framework of organization perhaps we would have been able to resolve our differences, inherent in the development of every movement, in a positive manner, listening to criticism, with unity and criticism. The inexistence of that framework for proper discussion, added to our immaturity as men, as revolutionaries, and to the repressive situation, led us to begin separating, splitting up in practice into the three factions which are known.

The schism resulted from the development of Sandinism itself. Moreover, it took place at a time when Oscar Turcio and Ricardo Morales, both members of the national leadership, were killed in battle, at a time when the development of the organization required that we make a qualitative advance in our form of organization and leadership, which would allow higher forms of organization of the vanguard so as to be able to direct the struggle of the masses better, to give a more certain direction to the armed struggle in Nicaragua. We had an awareness of that need but we could not make that advance, an advance which should have meant the encompassing of the experience of the older, more veteran companeros who were versed in party work, in work with the masses, and their military experience, their experience in the treatment of political forces on the national and international level, and which would be merged with the vigor of the young people, who were beginning to join at that moment in larger numbers.

The old had to be merged with the new and, actually, there were clashes in that respect. The older companeros began to distrust their newer companeros, who were beginning to appear as officers in charge of various areas. The newer ones, who had not known how difficult the struggles of previous years had been, underestimated the more veteran companeros because undoubtedly, the more veteran companeros were still held back by primitive work methods, which the younger ones thought should be overcome.

Harnecker: Do you place yourself among the more veteran?

Ortega: I believe so. Right? We were among the people who began years ago.

Harnecker: And to what is due the fact that there appears to be a division of labor among the factions? For example, that the proletarian faction worked primarily in the urban mass organizations and the faction favoring prolonged popular war worked in the guerrillas in the mountains?

Ortega: It is necessary to explain that the division of work of which you speak is not the result of the fragmentation into factions but that it existed before the division of the Front.

I will explain...

The overall problems of the revolution were present in the minds of the leaders of the three factions. What I mean is that when this division took place, the companeros who worked in the various sections to which they had been assigned by the FSLN, when they could not find solutions to the problems that were arising, because of the difficulties and weaknesses already stated, began to establish their own structure there on the basis of the work they knew, and they sought to find an answer to the problems of the revolution on the basis of their own structures. It must be remembered that work was going on in the midst of the most brutal repression and a work of national scope could not be done. Each one continued to perform the work that the situation required. Therefore, the companeros who worked in the mountain zones continued to develop their line of work, the line imposed by the conditions of the time; those who worked in structures more linked to some productive and student circles, or who worked in the dissemination of scientific-revolutionary theory, continued to develop primarily along that line, and those who performed a predominantly military work, seeking to promote insurrection, in turn continued to work along that path.

In practice the three separate efforts of the three structures promoted a single struggle, one single concept, they structured a single strategy for victory.

This explains why none of the three factions sought to structure a new Sandinist Front...

Harnecker: Therefore, three secretaries general did not exist...

Ortega: No, of course not. And that also explains why when unity of the movement was reestablished, they presented a picture of work complementing that of each other.

Harnecker: Which means that such a type of division of labor existed before the break...

Ortega: Yes, that is the way it was. The different areas of work had been oriented that way by the movement. Now, the fact that all of us had common origins helped us very much. It caused us to mutually respect the work of the other factions. For example, the insurrectionalist faction did not fight to create another revolutionary student front, it allowed that organization, which played such an important role in Nicaragua, to continue to be controlled by the other factions. There was no interference in the work being done by the "proletarian" companeros in some productive centers either. And this was reciprocated by them. They did not try to create another North Front or another South Front, which was the greatest military work performed by the "insurrectionalists." On the contrary, they coordinated and complemented that work.

Harnecker: Moreover, none of the factions, without the support of the specific work of the others, would have been able to win...

Ortega: Correct. What took place was that each one wanted to control the process, each one wanted to see who could be most outstanding in the struggle. But that was gradually overcome in the struggle itself and each one began to see the importance that each one had in that work. Thus, it was possible to reach the agreements of unity which began to be negotiated at the end of 1978 and concluded in March 1979 on the basis of a single concept and not on the basis of having each of them giving up their principles for others. All of Sandinism came to an agreement on a concept which decared the insurrectional nature of the struggle, the need for a policy of flexible alliances, the need for a broad program, and so forth. That political and ideological program agreement allowed us to effect a quick, ever-improved coordination of our work structures until an advance in our reintegration was accomplished. That is why I think that what we did was more than just uniting, it was our reintegration. The three factions had an enormous desire to become a single FSLN once more and proof of this is that you can see how much enthusiasm there is, how much love, how much zeal in caring for this unity achieved, which we are convinced is irreversible. And just as the unity of the Sandinists was vital for the victory, the unity of all the left around Sandinism, and the unity of all the people around that left and Sandinism is vital for consolidating the process and for the accomplishment of our historic plan.

Harnecker: We understand that women played a very important role in the armed struggle in Nicaragua, that they fought shoulder to shoulder with the men, that they represented as much as 25 percent of the contingents in the guerrilla columns, that there were several women majors; how do you evaluate that fact? Is it something new or does a tradition of participation by women in this respect exist?

Ortega: We could say that the Sandinist Front enfolded the historical traditions of participation by women in struggle, not only in the era of Sandino but in the past century and a little before that. You already know about participation by women in Sandino's struggle, of his own wife, of the international companeras such as the sisters Lia Toro. There was the case of the women who were sacrificed, dismembered by the Yankees in 1912. There was also a Salvadoran woman named Lucia Matamorros, who was quartered for fighting against the intervention of that time. There was also the case of companera Concepcion Alday, the wife of a liberal guerrilla, the first who faced up to the Yankees in Chinandega, who was killed in 1926.

The FSLN inherited and developed this participation. However, it is important to point out that Sandinism not only developed participation by women throughout the country, not only in tasks of support of basic tasks, but their active participation in basic strategic tasks. Such is the case of the guerrilla major Dora Telliz, better known as "Comandante 2," the case of guerrilla major Monica Baltodano and other guerrilla majors, such as the case of Leticia Herrera. Those three companeras played a very important role, not only as a support to the revolutionary struggle but as leaders in it in its political and military aspects. In the insurrection they were leaders of war fronts, as in the case of Dora Tellez, "Comandante 2," of (Claudia), who was in charge of what was called the Rigoberto Lopez Perez Western Front, which was one of the most important fronts of the war. Sandinism did not close the doors to women on the basis of backward, chauvinist ideas of down-rating women. Finally, it must be pointed out that the participation by women in the insurrection was most important; there were even columns in which the entire command structure consisted of women, women who commanded hundreds of men without having problems.

Harnecker: Before concluding this interview, would you like to say something more?

Ortega: Well, I would primarily like to thank you for the opportunity you have given me to refer to these topics, which are important for understanding our revolutionary process. I would have liked to ponder on my answers more but the daily tasks we are facing have prevented me from doing so. That is why whatever I say here should not be considered as the final word, as the most finished work, as the most mature. These are only some private thoughts of mine which I hope will serve to better explain the truth of our historical process, our brave and beautiful revolutionary struggle.

8908
CSO: 3010

PRD POLITICAL PLATFORM PUBLISHED

Panama City CRITICA in Spanish 31 Dec 79 pp 16-20

[Text] This document presents the basic ideas expressed by the members of the National Directorate of the PRD [Revolutionary Democratic Party] in hundreds of speeches made during the various separate meetings of that party held between 26 November and 5 December 1979 in different sections of the country and during the first plenary session of the Directorate, held in the capital city from 12 to 16 December 1979.

The content and plans set forth in this document were approved unanimously by the PRD National Directorate as the general platform of our party for the next few months, and it is published so that it can be studied by the members and for the knowledge of all Panamanian citizens.

"Retirement" and National Democratization

1. Due to very concrete historical and political circumstances, the Panamanian Revolutionary Process was slow in creating its own political organization. For this reason, when the so-called "retirement" of the military occurred, the PRD still was not in a position to fill the political vacuum they left. Thus the leadership exercised for 10 years by General Torrijos was not immediately continued by a collective political entity, so that the sectors which support the Process remained temporarily without any organized or clearly defined political leadership.

Other International Experiences

2. The "retirement" of the military was caused by internal circumstances within the Process itself and within the political evolution of the Central American and Latin American area. To interpret this correctly, one must take into account other Latin American experiences which took place during this period in Ecuador, Peru and Bolivia, as well as in Nicaragua, El Salvador and other countries.

In those countries the plan consisted in turning over power to civilians through elections or through a constituent assembly composed of the traditional political parties or, on the contrary, in the change of government by violence.

A Patriotic Content With a Different Meaning

3. A fundamental problem in the application of this plan was that those who launched it did not make the necessary distinctions as to the role the military had played in democratic, social and political development of their respective countries, or as to their failure to understand the need to change a status quo which had already expired. However, the nature and character of the military in Panama was very different from that in the other Latin American countries.

Democratization Through the Institutions of the Process

4. In Panama, the originality of that evolution of the political system is in the form in which it was conceived by General Torrijos, based on the structural reforms the Process had introduced in previous years. In our country change does not come about through a direct delivery of power to the traditional parties by means of the procedures mentioned, but through a period of transition begun on 11 October 1978, which will last until the elections and the legislative and presidential succession of 1984.

To Perfect Democratic Development

5. This evolution is not produced by dismantling the basic institutions created by the Process--such as the Constitution of 1972 and the systems of popular representation--but through turning over the government to a civilian sector which is a product of the Process itself and through the creation of the PRD, which was conceived by General Torrijos to channel the forces which support his plan.

One of the functions of the PRD, therefore, is to create the necessary political capacities so that that evolution does not result in favoring the traditional forces or those which are enemies of the Process, but rather assures the continuity of the Process by means of such changes in the forms of government and with popular support. Consequently, the role of this transition period is to consolidate and perfect the democratic development foreseen by the General and to cement the institutions and laws created by the Process to insure its continuity.

A Year of New Experiences

6. Upon completion of the first year of the present government's administration under the Process, it is well to make certain observations about it. Its merits are well known and have been reflected in the infrastructure projects, the improvement of public administration, investment activity, etc.,

However, here we shall analyze basically the aspects which, in our opinion, should be changed or eliminated in order to strengthen the advancement of the Process.

When the first important social confrontation took place in September and October, 1979, it was clear that there was not sufficient clarity about the implications of General Torrijos' democratizing plans. In effect, the government administration has been described as a team of young professionals, most of whom had little political experience with General Torrijos. Most of its members performed their tasks without sufficiently utilizing the Torrijos method of permanent consultation with the rank and file and in the communities, thus failing to fill the vacuum created by the General's absence. For that reason, when the government underwent the September-October crisis, it became obvious that it lacked political experience and contacts with the striking rank and file which were necessary to solve it.

Unity Is the Real Participation of All

7. The prevalent and logical interest of the administration in restoring the economy within the short term, through the plans which are already known, directed the consultation method principally toward the business sectors. The loss of ties with the popular sectors has left people annoyed with the government's actions; these sectors long to return to the style of work characteristic of General Torrijos. We must make the necessary corrections, which means that we must keep the various sectors which make up the Process within the exercise of political power. One must not try to govern only with the businessmen, or only with the workers; unity must be built with the real participation of all the forces which support the Process.

PRD in Process of Organization

8. It is also necessary to make some observations about the situation of the PRD. Our party still is not totally or sufficiently organized, so that it still has not given its members an effective possibility of participation and contribution. It needs, in the first place, an overall organization, since the PRD still is not structured on the national level. Only some of its cells have been organized, and few of them have really functioned. We are in the process of creating the intermediate and rank and file organizations, such as the fronts and the national and regional secretariats. In times of social tension, this has caused dispersion and disorientation of the membership for lack of platforms, coordination and tasks or of organizations within which they might discuss the situations and participate in drawing up the party platform in each place or on each front of the struggle.

Register Demands of the Great Majorities

9. In addition to intense organizational work, the PRD must register the needs and feelings of the great popular majorities--who are the ones who truly have a decisive political clout in the development of the national

destinies--and know how to gain the trust of those majority sectors and to organize and motivate them, with concrete tasks, to comply with the postulates of our program.

To Win and Defend Our Own Conquests

10. The PRD must employ procedures based on consultation with the rank and file, political clarification of the problems and consideration of the just demands of the people, since the popular sectors must learn to win and defend their own rights, fighting adequately for them and participating directly in the solution of their own problems. It is not only a question of organizing big demonstrations on certain special dates, but above all of motivating the people with organized direction and tasks in the places where they live and work, to carry out every day actions designed to achieve and consolidate better living conditions.

Concrete Tasks Among Rank and File

11. It must be remembered that General Torrijos always characterized his administration by his high level of confidence in our people. We must take at their true value the abilities of the Panamanian masses, because they have demonstrated that they are willing to fight, to mobilize in support of the Process and that what has been lacking is clarity of programs and concrete tasks to motivate them.

Difficult Years Ahead

12. On the international scene and, consequently, within the country as well, a very difficult economic situation has set in, due to the general economic crisis generated by the inflation-recession, the devaluation of the dollar, the costly armaments race among the great powers, the increase of bank interest rates, the energy crisis, etc. For this reason, as we begin the decade of the 1980's, it is inevitable that the problems should worsen, with corresponding political and social consequences, perhaps to worse extremes than those of 1975. In Panama, any kind of political system which does not guarantee the participation of the people would be in a worse position than our own to confront this situation.

Who Will Lead the People?

13. With the deterioration of the economic situation, logically the popular sectors will fight to have their demands met, and they will add broad social and local groups to the struggle. Who will lead these struggles for their rights? If the PRD does not, our adversaries will. For this purpose, the extremists and fanatics of both right and left are seeking intentionally to exaggerate those demands far beyond any possibility of response, to generate animosity against the government, instead of looking for solutions.

Democratization and Social Development Still Taking Place

14. We can not be like the ostrich; rather we must take creative advantage of the experience of last September and October. Essentially the correlation of political forces did not change decisively with the teachers' strike. The Torrijos plan for democratization and social development is still in effect, although we have suffered some political erosion.

For a clear understanding of this, we must differentiate between the social movement of the teachers, which the PRD considered just, and the political use or manipulation of that movement by the most recalcitrant opposition, which are party denounced. The enemies of the Process tried to sidetrack the proper course of the teachers toward different goals from those they were seeking, trying to pull them toward sensational and fascist extremes, which were foreign to the teachers' demands.

Another Defeat for the Opposition

15. This malicious strategy failed them, because most of the popular sectors which sympathized with the teachers, and most of the teachers themselves, are not enemies of the Process, and also because during the crisis disputes arose among the various forces of the opposition, which proposed, variously, a government of national concurrence, or the calling of a constituent assembly, or a violent armed uprising.

It was one of the merits of this administration that it was able to solve the problems in basic union terms, in spite of the opposition's interest in distorting the strike toward political objectives completely distinct from those set forth by the teachers.

Regrouping of Forces

16. The new historical period opened by the democratization plan has encouraged a broad regrouping of the forces which hold sway within Panamanian society. Within this framework, the strike movement of September and October caused a sort of "political alert" of all the forces in the country, our own as well as those of our adversaries. It demonstrated that we have entered on a new phase of the nation's social history, in which we are not alone in the political arena, but in which there are also other forces capable of eventually taking the political initiative from us.

These new circumstances demand from us an effort to develop popular trust and to guide the masses. Consequently, we must be capable of organizing the PRD and of winning public support, especially that of the middle class, in spite of the deficiencies the government attributes to it.

Need to Decide and to Participate

17. The most outstanding feature of the present Panamanian political situation is the concern for participation of the middle classes and of the people

in general, who want to make themselves heard, take part in the decision-making process and in the shaping of solutions. It appears that we must broaden and strengthen the mechanisms so that the people may take part in identifying the problems and priorities and contribute their own answers. Under these conditions we must learn to measure our forces and exercise our real capacity, respecting the right of the other forces to democratic political organizations by means of the quality of our arguments and our work.

The True Character of the Opposition

18. The opposition attacks the government supposedly in the name of a formal and abstract democracy, which formerly protected its privileges, but the truth is, it does this to destroy the real and shared democracy which the Process has established for all Panamanians.

Most of the opposition's strategy takes the form of stirring up the grievances that one or another group may have against the government at a given moment, for one reason or another. They seek to confront the government with several groups at a time, piling up demands which they know that no government could solve at the moment, and they do it without offering those groups any common program. On the contrary, they register demands which are even contradictory among themselves. Their tactic is negative: they combine slogans against one thing or another and demands with which it is impossible to comply, along with equally contradictory, lying accusations, which confuse and demoralize the people.

Mix Demagoguery and Provocation

19. Another of their tactics is that of infiltrating the social and community guilds and trade unions to disparage our leaders and representatives, undermine their authority and succeed in having them removed by the discontented and mislead masses. For this purpose they use any pretext, including an immoral manipualtion of the sincere religious sentiments of our people. Along with all this, the opposition constantly seeks to provoke the government to respond with energetic measures, so that it can accuse us of being representative.

For this purpose, several opposition groups take advantage of any opportunity to commit excesses and acts of vandalism, with clearly provocative purposes.

Manipulation of Religious Convictions

20. The utilization of religious beliefs and organizations as mere instruments for the political ends of certain groups constitutes lack of respect for religion itself. The old Panamanian constitutional traditions have, since the last century, always preserved the separation of church and state, to prevent religion from being subjected to political or common material interests. However, during the last few years, political agitation by religious

or pseudoreligious groups or sectors has been carried to the extreme of shattering the spiritual predominance and unity of Catholicism which used to characterize our people.

Seek to Destroy the Process

21. We must not allow ourselves to be deceived, or to allow other forces of the Process to continue to err because of naivete: there is a concrete plan to destabilize the government, and not for the purpose of gaining concessions, but rather to bring it down, for the definite purpose of destroying the Revolutionary Process once and for all.

However, certain sectors are under the illusion that by making concessions to the opposition they can avoid the problems. In addition, they have permitted the operation within the administration of elements foreign to the Process. With those persons they only demonstrate lack of understanding, firmness and trustworthiness, since they themselves contribute in that way to the opposition's plans.

What We Must Do

22. It should be clearly understood that what the government and other forces of the Process must do is comply with and continue developing the democratic plan of General Torrijos, instead of forming artificial coalitions with other political forces.

The fundamental criteria and the strategy of the Process for complying with that democratic plan and strengthening the stability of the government are clearly set forth in the Declaration of Principles and the Program of the PRD, which are a guide for the actions of the government.

To Support Rank and File With Concrete Measures

23. At the same time, to carry out that plan and program and to confront the strategy of the opposition, priority should be given to a policy of direct attention to and concrete support for our union leaders and representatives and for the popular and union organizations, to reinforce their capacity to outline and solve the problems. At the same time, we must directly support our leaders in those sectors so that they may register the just union and community demands, so that they are not overcome by the agitations of the leaders of the extreme left and right.

Support All Just Demands

24. Recent experience indicates that since there are popular and sectoral demands or movements, instead of passing judgment on whether or not our adversaries have infiltrated them, what we must do is see the legitimacy of such demands and movements. The enemy will always try to infiltrate those who are criticizing and making demands on the government, to take advantage

demagogically of that situation for their own purposes. What we must do is displace the opposition at the outset, properly supporting those demands better than our adversaries do. And the PRD is not responsible for the fact that certain mistakes have been made, nor does it have any reason to defend unpopular measures or positions; rather our role is that of warning them in advance and criticizing them, since we cannot be carried away by events.

A Party Capable of Taking the Lead

25. The basic documents of the PRD define it as a party with a critical capacity which it owes to the opinion and feelings of its own rank and file. This means that its role must not be reduced to mechanically following the government line or to serving as a publicity agent for that line. This is much more important, inasmuch as we are entering a period of union struggle, which in one way or another will be a blow to the administration, but which the party must support because that is its duty and because only that will make it possible to orient these struggles within reasonable limits, so that the government will be in a position to respond without upsetting the national economy. If the PRD expects only to contain those struggles, it will be politically isolated, and its rank and file will be drawn demagogically toward the opposition.

Independence and Mutual Support

26. For this reason, a permanent and greater coordination between the PRD, the government and the Assembly of Representatives must be achieved, since the three are organs of the process, and the strength or weakness of one affects the strength or weakness of the others. Consequently, support must be reciprocal; there must be consultation and coordination of action; however, this does not mean that the government should expect to use the party or the Assembly, nor that the PRD should expect to assume the decisions, powers or promises of the state administration itself or of the legislative organ.

PRD Has Strategic Plans

27. One must differentiate between the goals and aspirations of the government and those of the party. The program and objectives of the administration are limited to the tasks of a specific constitutional period, while those of the PRD are, strategically, more farreaching. During the events of September and October there was a certain confusion between what was to be the government's management of the situation and what was the clarifying and orientation mission of the party. The PRD suffered a certain political erosion because of outside administrative errors which it did not defend, but which some mistakenly attributed to it.

Party and Administration Not to be Confused

28. However, it has happened, occasionally, that some government figures have taken it upon themselves to make statements in the name of the PRD and

to issue directives in its name, without consultation, to solve problems in their administrative spheres. This has caused confusion, ill feeling and errors when unauthorized and unqualified persons do this. In such cases, the party discipline should prevail.

To Govern With Our Own People

29. On the other hand, in several government institutions, national as well as provincial, there are many officials of different ranks who--whether for lack of understanding or because of incompetence--impede the advancement of the Process or distort its image. Sometimes it may even mean that enemies of the Process have infiltrated into some of those positions. One must give attention to the need to govern with our own people, making sure that those officials and technicians who have greater political understanding and efficiency are given preference in promotion to positions of higher authority, as is done in any government.

Principles and Program of the Process

30. All of the foregoing appraises the thesis discussed by the president of the republic, a party member, at the First Congress of the PRD, according to which the party must be a critic of the government. This is understood as constructive self-criticism within the Process, to stimulate adequate compliance with the program and principles of the PRD by the administration--since they express the body of ideas of the Process--as well as to guarantee the protection of the interests of the people.

The Voice and Sentiment of the Rank and File

31. For this purpose, the party must become a line of communication between the Executive and the rank and file members of the Process. It must transmit the concerns of the rank and file to the administration and the responses of the administration to the rank and file. But this will only be achieved if those members are effectively organized in the cells, fronts and popular organizations, and if they channel their initiative by those routes, to insure that the voice of the PRD leaders effectively reflects what they feel and are asking.

To Be Defender of the People's Interests

32. There are those who have questioned the relevant role of the National Guard in the country's political life in the last few years, as well as its admission to political decisions, as a deliberating organ, through the Constitution of 1972. It is alleged that in this way the Guard has been introduced into politics, apparently "forgetting" that in the entire previous history of the republic the military always had an important role in national politics. In reality, those contradictory questions come up because since 1968 the National Guard has not been maintaining the privileged, as it did before, but rather supports the Revolutionary Process and encourages justice and the social development of our people.

To Develop System of Popular Representation

33. The structures of the popular representation system are among the basic creations of the Process and the defense, implementation and development of the system of representatives, from its local organs to its apex, are among the fundamental tasks at all levels of the PRD.

However, relations between the PRD and the representatives and legislators must be strengthened, and the PRD must here play its necessary role of political leader. More work must be done with the representatives who are party members, and we must complete the organization of the PRD structures among the representatives and legislators, so that the party, through that organization, may participate in the future in the selection of those representatives who aspire to be legislators and to coordinate unity of political action of the same and watch over their permanent political education. This means, consequently, that we must incorporate them to a greater extent at the various levels of the party structures.

In addition, we must support and advise them politically in the local and community councils and fight to see that they are given resources with which to solve community needs, since the prestige of the PRD and its mobilization power also depend on the achievements in their own communities of the representatives of local government organs who are members of the party. The PRD must develop an active role within the local councils especially.

The PRD Supports Strengthening Budget for Community Projects

34. Strengthening the system of popular representation means that the PRD, on various levels, will be forced to strengthen the role of the local governments: first that of the local councils and, in addition, that of the community, municipal and provincial Coordination Councils. For this reason the PRD must fight to obtain greater resources for the local and community councils, to strengthen their capacity to find solutions for community problems, so that they will actually become organs of popular government. In addition, all instruments of power and resources of state institutions must be used effectively to support the work and projects at the local and community level.

Consequently, the PRD will fully support the approval of a significant part of the budget for strengthening community action by the local government representatives.

Organs of Consultation and Initiative

35. All of the foregoing means that the priority organizational effort of the PRD must be directed primarily to strengthening its roots within all national sectors. Although the process of organizing the entire rank and file membership of the PRD into cells cannot be completed immediately, from the beginning they must be treated as organs of consultation and initiative, which will motivate and pave the way for the formation of the cells and members.

To Strengthen Popular Organizations

36. Nevertheless, the cells are not the only rank and file organizations of the PRD. Functions of consultation must also be carried out with equal effect through the fronts and popular and union organizations. This must be emphasized and executed especially while the process of building the cells is being completed. The fact that all the cells are not yet formed must not be a reason for failing to effect a continuous policy of consultation, criticism and initiative with the rank and file, without which the PRD can not motivate the membership for other tasks.

The Process and Improvement of the People's Living Conditions

37. There has been talk of the demands which several popular sectors have postponed during the last few years for the sake of preserving the national unity. This is true, and it was an important contribution to the decolonization of our country, which we all recognize.

However, this patriotic contribution must not be interpreted as if the past few years had only brought sacrifice. It is equally true that during this decade, the Process greatly improved the living conditions of the Panamanian people through many investments in infrastructure projects and in social assistance, education, health, housing, highways, electrification and communications, land and credit and many other areas, as well as responding to the demand for individual and labor rights with, for example, the Labor Code, unionization, political freedom and the cessation of persecution and repression against popular leaders and sectors.

To Improve Distribution of Wealth

38. However, it is a fact that, during this period, taking advantage of the investment opportunities created by the Process, some groups obtained considerable economic benefits. Therefore, it is necessary in the next phase to continue to seek a more just social distribution of the wealth, protecting the interests of the popular sectors and the middle classes, as in the case of teachers and public employees, as well as the various professional guilds.

Revitalization of "Domestic Patrol"

39. The party as well as the government should make an effort to revitalize and increase immediately Torrijos' "domestic patrol," which was so appreciated by our people and so efficient in improving political work and administrative action. High national and provincial officials on all levels and political leaders should renew the custom of traveling to the regional communities and dependencies of their respective areas to discuss frankly and openly the problems and plans of the local officials and leaders; and in their travels they should not allow themselves to be isolated by the regional directorates, but should dialog with the men and women of the rank and file in all sectors.

Political Ability is the Chief Requisite

40. Those in charge of the administration should be evaluated for their political sensitivity and skill and not only for their technical abilities. If advisors need, chiefly, to be technical cadres, the leaders must be distinguished for their political acumen, proving it constantly at the grassroots level, with the people, more than in their offices. Political ability, which is fed by consultation with the rank and file, is the chief requisite for assuming and maintaining positions of responsibility in which decisions are made.

Problems Resolved at Rank and File Level

41. This means, for example, that we must interlace the Coordination Councils with the Technical Boards and that, at the same time, they must rotate through the various districts of each province. It is there that high-ranking officials must discuss the projects under their responsibility with those who must carry them out and with those who will be affected by them. In addition, a continuous coordination should be established in each province between the PRD leaders and the high-ranking officials, so that for the most part the party identifies and solves the problems of the communities and sectors through the administrative action of the corresponding government structures.

Unity Needed for Progress With Participation of All

42. Neither as a governing party nor as a government must we isolate or sectorize ourselves; rather we must deepen our dialog with all sectors. As an authentically national party, we must continue to work for national unity in the development and completion of the national program of decolonization and to consolidate true democracy to the benefit of all Panamanian sectors and communities.

This means that all the people who supported the Process must have an opportunity to participate in the building and functioning of the PRD. We must be concerned with the internal unity of the party, as well as for the unity of all Panamanians. If we sectorize or tribalize ourselves, the plan for democratization and decolonization will be endangered, particularly when the opposition is bent on dividing the country and fomenting fratricidal disputes.

43. Unity means giving representation and concrete participation to all sectors which are willing to support the purposes and the program of the Process. It means that the demands and claims of the people must be reflected and discussed within our organization. The rank and file organizations must always be linked to real life, to the problems of the communities and of the various sectors, and the real problems of the people must be understood and supported by the PRD.

Other Groups Which Support the Process

44. In addition, the Panamanian Revolutionary Process, after having led our people in taking over the Canal Zone, has the obligation of adequately orienting all the groups which in some way support the Process and are dispersed, for which we must program the necessary actions to preserve the unity of all Panamanians. The PRD has a responsibility to continue this social struggle, to prevent the dispersion or disorientation of the different groups from standing in the way of adequate compliance with our country's international obligations and in addition, to serve in the realization of our people's dreams, inspired in the decolonization struggles.

To Seek and Respond to the Great Majorities

45. We are proud of the large membership of our party, and justly so. However, we must give our greatest attention to the large sectors which are not registered in the PRD or in any other party, and who comprise the majority of the voters. We must interest ourselves not only in the active members, but also in the adherents and sympathizers and in the indifferent and the confused. We must approach those who do not trust the PRD or who criticize us honestly and who are not members of the opposition, as happens to be the case with a large number of teachers, for example.

The Middle Class and the Sense of Democratic Development

46. Our party must especially broaden its influence among the middle class (intellectuals, teachers, professionals, etc.), because there the seed of democracy has great possibilities of being spread toward the other sectors of Panamanian society. In previous years, the Process achieved a broad following among the more humble sectors, which it benefited on all levels. But it is right to recognize that in the history of our country, democratic ideas, as well as the need and the sense of social change, have always been reproduced favorably in the middle class, which in these 11 years has grown dramatically and is the one most influenced by the mass communications media.

A Modern, Permanent Party

47. In the past our country has had, predominantly, a bad party tradition of political bossism and voter revolt. We want to organize a modern party, with principles, program and an authentic popular base, not an electoral party with an authentic popular base, not an electoral or political party. Panama has never had a political party such as we are organizing; for this reason, there is still political immaturity and an insufficient capacity to mobilize... ..[omission in original text]...an episodic party, rather than one which has continuous consultation, orientation and tasks with the rank and file, must guarantee the permanent presence of the PRD.

Denounce Politicians' Methods

48. Unfortunately, after 10 years without any party activity, during this initial period of organization of the PRD some of those old politicians' practices have sought resurgence among us. It has happened that some persons appeal to the communities and make them promises when they need backing and afterward cease to pay attention to them, leaving their promises broken, or they turn a deaf ear to the people's demands. This destroys the credibility of the government, the party and the Process. We condemn those methods and demand that they be denounced.

People Must Be Responsible for Own Rights

49. Attention to the people's needs must be constant and must be linked to the organization of the popular sectors so that they participate in the winning and defense of their rights and are responsible for the development thereof. This is the chief task of the PRD.

Likewise, it is indispensable to see that public affairs continue to be thoroughly cleaned up, that those who have proven dishonest in official positions or positions of popular representation be punished exemplarily and without exception.

Only Things Which Are Well Explained Are Supported

50. As is natural, it has not been possible to bring awareness to all the people in such a short time; the people respond when we bring concrete solutions to their problems. A party is not constructed with words; rather, the trust and support of the people are gained by action. The communities do not believe in promises, but in those who go to the trouble of solving the problems. In any case, the people will neither accept nor support anything which has not been properly explained and motivated, even though it may be for their own good. Under adverse conditions, it is always better to explain the truth outright, although it may be negative, since the people will not be satisfied either with demagoguery or pretty excuses.

Our Own Language Is That of Deeds

51. Besides organizational differences and those concerning lack of understanding about the Torrijos strategy, the recent experiences have demonstrated that the PRD must revise its language and the way it communicates with the people. The clear and simple style which is characteristic of the General has been abandoned and replaced by a verbal radicalism which is not much different from the language of other political forces and which does not tally with the reality of our actions. The prestige and influence of the PRD must be the result of its actions and not of verbal displays. Supporting the people's struggles and taking note of their demands says more than many fiery manifestos.

The PRD Must Include the Best Panamanians

52. The PRD is identified as a broad-based popular party, a party of the masses, within which a policy of cadres must be carried out, that is, a policy of constant training, selection, education and promotion of its best members. For this purpose the party must be organized with the concurrence of the best Panamanians: the best men and women must be in the PRD, regardless of their origins.

We Must Look After Quality Within the Party

53. However, the members of the party cannot permit the PRD to serve opportunist or dishonest ends. The quality of the party and its prestige among the masses will depend on them. For that reason, we must watch over the standards for admission to the PRD and over permanence within it, not concerning ourselves only with purging the administration, but also with the moral and political cleanliness of our own structures.

The party's Court of Honor and Discipline must have as its priority function that of watching over compliance with the political tasks and responsibilities of each organism and each leader of the PRD.

The PRD Has Been Strengthened by These Experiences

54. However, the events of September and October did not cause only political erosion. They also helped us to acquire a better understanding of the national situation and the justice of General Torrijos' democratization plan. In addition, they helped us to close ranks for the sake of the unity of the Process and its great popular goals. The foundation of this internal unity must be our agreement on the same principles, program and statutory and organizational norms and, above all, around the leadership of Omar Torrijos. In addition, the crisis contributed to deepening our political maturity, teaching us to weigh the important deficiencies and backwardness which still characterize the political culture of some of our people who have been maliciously manipulated by the opposition. All this provides a basis for the PRD to be able to emerge stronger from the experiences accumulated since its founding.

The Ideology of the PRD

55. Apropos of the foregoing, we must insist on the exact definition of the political ideology of the PRD. The ideology of the PRD is defined clearly and in detail in the Declaration of Principles and in the Program of our party, which are the basic documents of the PRD. These documents have been widely distributed and discussed among our adherents and sympathizers, and their content was analyzed and approved by the 6,000 delegates who participated in the PRD's First National Congress held last 22 September in the New Panama Gymnasium.

Those basic documents explain, among other things, everything relative to the polyclassism and internal unity of the PRD, as well as everything concerning the pluralism proposed by our party for the rest of Panamanian society.

PRD Polyclassist, But Unified

56. Internally our party is polyclassist, but unified. This means that the PRD is made up of men and women from all sectors and social groups which support the Process and are Torrijos supporters, and that all those sectors participate in the life of the party with equal rights. But, as a unified party, the PRD has a single political ideology which unites all its members, and it is our only ideology as a political organization. This is the ideology which appears in the principles and program of the PRD and which makes up the body of ideas of the Panamanian Revolutionary Process drawn up by General Omar Torrijos, by which the principles and program of our party must be applied in like manner to our government.

Pluralism and Authentic Democracy

57. At the same time, the PRD suggests for the rest of Panamanian society that, for our country to be able to have a truly democratic political regime, our society must be politically pluralist.

This means that the PRD, being a truly democratic party, believes that other political parties and tendencies having different ideologies from ours can certainly organize in Panama and carry on their activities. The PRD believes that in our country a plurality of parties and ideologies must have the right to exist, and not just our own party and political ideology; we are opposed to the political and ideological persecutions which formerly were the cause of violence in Panama and still are in other countries. We are not sectarian; rather we believe that in Panama we should continue to have freedom of political organization and thought, and this is the importance of pluralism.

A Unified Torrijist Party

58. But internally and for its own members and organisms, the PRD is not pluralist, but unified. Among members of the PRD--whatever position they may hold within the party--there can be only the political ideology set forth in our Declaration of Principles and our Program and the form of organization and norms of conduct established by our statutes. For that reason, we declare that the PRD brings a pluralist solution to our nation as a whole but that our party and our government must be uniformly Torrijist, based on our ideology, which is the ideology of the Panamanian Revolutionary Process.

Priority of Organizational Work Among the Rank and File

59. Among the immediate tasks for the next phase, those relating to the internal organization of the PRD structures at the different levels are very

important. This is one of the responsibilities of the members of the National Directorate, who must immediately prepare everything for the organization of the party at the local, district and provincial levels, without which the party structure will continue to be lacking.

To Construct From the Ground Up

60. In the immediate future, the members of the Directorate and their respective alternates must form directorates at the provincial, district and local levels to take charge of the process of implementing rank and file activities and organization of the PRD in those areas until, from the ground up and in the manner prescribed by the Statutes, the rank and file elect their respective leadership organs.

For this purpose the party's National Directorate has approved a corresponding program of organizational tasks. In order to execute them we must take into account the following requirements:

Ample Opportunity for All

61. In the organizational work, the monopolizing of or assuming of too many functions by the cadres is to be avoided, and the greatest number of persons possible from the communities or fronts should be incorporated into the tasks and responsibilities of the party. The tasks and responsibilities must be distributed and their completion supervised methodically, instead of always giving them to the same persons. Opportunities for participation and for acquiring experience and responsibilities must be given to all party members who are willing to work. The PRD must be a great school, a place of training and promotion; there must not be "masters" in the tasks or functions; the best cadres and organisms are those which succeed in finding, forming and promoting new cadres toward new responsibilities.

Promote New People on the Basis of Abilities

62. We must promote political personalities of the party in each community, front or sector on the basis of the contributions each may have made toward achieving the organizational and training tasks, selecting and supporting the best members and replacing them when they do not measure up. As part of the organizational work of the PRD and the people and of our electoral strategy, it is necessary for the people to see these party figures concerning themselves with local problems and finding solutions for them, while always consulting with everyone else and letting other people participate in finding those solutions.

Possible To Keep Positions Only by Fulfilling Responsibilities

63. However, the assignment of any type of position within the party and the maintaining of it will always be on the basis of the political understanding, discipline and efficient fulfillment of responsibilities of the individual.

It is the duty of each member to see that those who hold any position in the PRD respond to that honor with dedication to their work and to the constant fulfilling of their duties and responsibilities.

Regarding party discipline, the PRD likewise must prevent any of its members from compromising the party with political statements or conduct which do not correspond to the party line or the political reality of the country.

To Strengthen Party Finances

64. Another important task is that of developing the self-financing system of the PRD through dues and in other ways. The paying of dues is not only essential for the strengthening and independence of the party, but it must have an educational content and a membership mystique, based on the fact that the rank and file feel they are maintaining their own party and supervising its expenditures. For this purpose, the National Directorate has ruled that the Political Committee shall evaluate a diversity of methods of financing the PRD and shall proceed to implement the payment of dues.

Oversee the Precise Execution of the Treaties

65. On the other hand, the political problems of the last few months and the organizational tasks must not distract us from questions relative to the process of decolonization. We must oversee the proper interpretation and correct application of the Torrijos-Carter Treaties. [omission in original text]...better and more collective utilization of everything which reverts to our country. It is important to use the eyes, ears and intelligence of all sectors of the people for these tasks of vigilance, for which purpose the Political Committee must evaluate and implement the most efficacious procedures for detecting and denouncing any violations or failures to comply.

The Best Collective Use Possible

66. Concerning the reversions and their utilization, we must be vigilant to see that their administration is of a patriotic character directed to the best collective use possible, as well as demanding that the plans be discussed with leaders of the neighboring communities and with the popular sectors involved. In the sector of Colon, particularly, the decolonization process must be translated directly into solutions for the social problems of the area, coordinating with local leaders in the study of plans for development of that area. The PRD must support the just demand that the jobs resulting from those plans be given preferably to residents of the area.

The National Development Plan and the National Budget

67. To intensify the policy of national development and democratization, it is indispensable that members of the PRD participate in the discussion of the National Development Plan and of the policy and economic strategy of the country.

In addition, the urgency of supporting the community and sectoral tasks demands that our party draw up its own analysis of the proposed national budget and discuss it with the government. For like reasons, the party supports the suggestion that the National Legislative Council participate in the discussion of the national budget, and the PRD section in the legislative organ has been instructed to that effect.

Institutional Image of the PRD in Execution of Tasks

68. Among other things, the foregoing should guarantee that the local and community organizations will have the required resources within a short time and that works of greatest priority will be carried out in each community. These projects must be channeled politically through the party itself, since it is not a question of benefiting particularly certain members or individual leaders, but of projecting the institutional personality of the party.

Discuss Programs With Those Affected

69. In the same way, our party maintains that all programs of regional development must be discussed beforehand with the Technical Boards and provincial authorities and with the Coordination Councils and be submitted to consultation between the PRD and the other recognized political organizations, as well as the popular and union organizations which are active in the provinces or areas affected.

To Support Productive Sectors

70. The same is true relative to stimuli for the productive sectors of agriculture and the livestock industry. Agricultural and livestock and agroindustrial development through support of the producers is one of our principal programmed goals. The corresponding organs of the PRD must discuss the alternatives and priorities of the party's policy in the agricultural and livestock sector, as well as the political strategy to be followed within the peasant sector. For these purposes, exhaustive consultations must be held with the corresponding rank and file sectors and support given to their demands.

To Confront the Economic Problems of Production

71. The foregoing must include the study of matters relative to policies of price, credit, the need for social benefits, of organization, etc., and especially, anything related to the serious effects occasioned by the sharp rise in bank interest rates, a phenomenon which affects the real conditions under which the private sector makes new investments in agriculture, the livestock industry and agroindustry.

To Continue Supporting Indigenous Demands

72. Regarding the indigenous areas, we repeat that the Process made a solemn promise to delimit and legally constitute the corresponding reservations or

special areas, which must be done without further delay. The party's Commission on Indian Affairs must proceed to the immediate study of the PRD's plan with respect to these areas, based on support for the principal demands of this sector.

Broad General Debate on Labor Legislation

73. The National Legislative Council will soon start debate relative to the alternatives to be followed with regard to Law 95. This is one of the subjects which most interests the worker movement and the business sector, and the opposition is trying for that reason to use it to create conflict.

The PRD must encourage a solution which will take into consideration the best interests and rights of the workers, principally stability and union democracy, without damaging the earning capacity of the business firms. It is necessary to satisfy the laborers and the farm workers without discouraging investors, while looking out for labor discipline and productivity, which is basic to the national development. The National Directorate has entrusted to the Political Committee the drawing up of an alternative which would allow for ample discussion of that law by all the sectors to achieve a consensus about the most adequate political solution.

To Confront Unemployment by Combining All Sectors

74. Over a short period it is necessary to develop a program to deal with the problem of unemployment. This program must be approached with all scientific seriousness and must involve in general the sectors of national and economic life, taking into consideration the social problem as well as the need to strengthen the lines of production for the development of the country. For this purpose, the solutions proposed by the PRD must be discussed with the Executive and with the legislators who are members of the party an coordinated with the various sectors of the national economy.

While efforts are being put into these problems, the party must concern itself particularly with offering solutions to the thousands of unemployed and underemployed who are among its members and for whom the organization of our party constitutes a hope that is justified.

Attempt to Disparage and Create Uncertainty

75. One of the ways in which the government, the party and the Process as a whole have been hurt is through the irresponsible manipulation of the social communications media. When the political parties reappeared, all the resentments of those who in one way or another have been affected by the Process were poured out through the communications media.

Their campaign managed to generate uncertainty and disparagement of the government and everything that emanates from it or depends on it, through rumors, misinformation, malicious insinuation and ridicule. This has de-

monstrated that the excesses of uncontrolled libertinism are attacking our social stability, distorting the progress of the administration and fomenting anarchy.

Campaigns of Deception and Disorientation

76. For some time, certain radio stations have been broadcasting lies and disrespectful material without the slightest sense of ethics or professionalism, misinforming and misleading the entire population and even calling for disorder and violence in a frankly provocative manner. It must be remembered that the radio frequencies belong to the nation, and it is the state which grants them as a concession, as a public service, for the purpose of the dissemination of objective information, for cultural and educational use and for the healthy recreation of the people. However, certain radio stations and programs do precisely the opposite, taking it upon themselves to be commentators as well as proprietors. The party should study this situation and discuss the means necessary and available to find an adequate legal solution to it.

The Press and the Party's Orientation

77. Another matter of capital importance is the press, propaganda and internal bulletin of the PRD, which has been ignored and must be created with urgency. The absence of a clear line and of party communications media contributed to a certain disorientation, dispersion and discouragement among our rank and file during the recent experience.

The party's propaganda is what links it with society as a whole, informing that society and bringing it our views. The newspaper is an instrument which keeps the party together and organizes it, coordinating the actions of its members and sympathizers. The internal information bulletin guarantees unity of line, actions and tasks of the responsible members of the party.

To Know the Accomplishments of the Government

78. The same can be said of continued reporting on the tasks accomplished by the government. The numerous works of infrastructure, production or services and investments in development which are continually being made are not very often brought to the attention of the people in a continuous national and regional report of those accomplishments, treating them as what they really are: achievements of the Process, linked to the institutional image of the PRD more than to the names of certain individuals.

To Have Our Own Orientation Methods

79. The PRD must develop orientation and educational propaganda work through its own methods. Such programs must come out regularly, with a content linked to the popularization of the Principles and Programs of the PRD, to the decisions of its higher organs and the knowledge of the problems of the national

situation, decolonization, development and the tasks of the people's organizations. In this sense, it must be able to distinguish what must be included in the orientation directed at all the people.

To Train New Cadres and Activists

80. It is necessary to speed up everything related to the organization of the political training of the members of the PRD and its school of cadres, to direct it toward the broadest popular understanding. The basis for this system should be knowledge of the Principles, Program and Statutes of the party, as well as the resolutions of the National Directorate and their correct practical application, along with the study of the most relevant aspects of the national situation. A program of seminars and debates must be planned around these training materials which, in a short time, will reach the responsible cadres of the PRD throughout the country, as well as high government officials.

Our Program Same as That of Teachers

81. Among the most important subjects we must consider are those relative to political work with the youth and teachers. A large percentage of the voters who will go to the polls in 1980, and particularly in 1984, are young students who presently are being influenced by their teachers, many of whom have been mislead by the calumnious and demagogic campaigns of the opposition. We must organize and program a broad work of clarification and motivation among the teachers who, because of their traditions and their social and cultural situation, are naturally inclined toward the same principles and program which our party defends. For this reason we must be objective and broad-minded in considering the motivations of this valuable sector. We must not underestimate the fact that the Process has brought about the greatest educational work in Panamanian history, something which many teachers will be able to view with patriotism and seriousness on the way to creating better conditions for the development of education in the year 2000.

Tremendous Task With Youth

82. At the same time, we must undertake a tremendous task or orienting and attracting youth and of strengthening and expanding the youth and student organizations identified with the Process, and this must receive the support of all the structures and organisms of the PRD.

These and Many Other Tasks

83. The first meeting of the National Directorate also considered various suggestions with reference to certain other questions. These are: the possibility of a law to create and implement the Administrative Career, as well as the role of the institutional Political Committees in the struggle for that law; the construction of popular districts in areas in the former Canal Zone;

the situation of the so-called Emergency Plan and the political tasks to be done within it, as well as making the necessary productive use of that sector of our people.

The corresponding work committees have been designated to draw up and present proposals to the respective party organs for this purpose.

> In presenting this document to the members of our party as well as to the public in general, the Executive Committee of the Revolutionary Democratic Party and its National Directorate wishes the Panamanian people a prosperous and happy new year.

National Executive Committee

Revolutionary Democratic Party.

8735
CSO: 3010

PETROVEN 1980 BUDGET CALLS FOR HEAVY EASTERN EXPLORATION

Two Hundred Wells Planned

Caracas EL UNIVERSAL in Spanish 6 Jan 80 p 1

[Text] Puerto La Cruz, 5 Jan (INNAC)--A total of 242 oil wells will be drilled this year in this country.

This announcement was made by Minister of Energy and Mines Humberto Calderon Berti during a press conference in Charaguao, where he has spent the past 4 days.

"Of that number," he then elaborated, "192 will be in Anzoategui, Monagas, and Guarico."

"Exactly how many for Anzoategui?" he was asked.

He replied, "145 wells."

He then spoke of Monagas, and noted that the largest project in the eastern zone will be carried out there.

"The investment will be about 16 billion bolivars," he said.

"And what is the budget for explorations in the eastern zone this year?"

"It is 1,298,000,000 bolivars, showing that operations in this region will exceed those in the west."

He then stated that 61 percent of the total exploration budget for the whole country will be spent in the eastern zone, distributed as follows:

Operations in the Belt	449.1 million bolivars--34.6 percent
Other land operations	188.7 million bolivars--14.5 percent
Offshore operations	154.8 million bolivars--11.9 percent
Total budget for east	792.6 million bolivars--61.0 percent

Calderon Berti revealed that one-fifth of the funds budgeted for the eastern part of the country will be for geophysical operations that will make it possible to survey 19,000 kilometers of seismic lines, principally offshore.

Subsidiaries to Invest 8.5 Billion

Caracas EL UNIVERSAL in Spanish 5 Jan 80 pp 2-3

[Text] The four subsidiaries of the Venezuelan Petroleum Company have begun an enormous investment program, involving 8.5 billion bolivars. This is the largest amount ever invested in petroleum in Venezuela, and is intended to deepen exploration and at the same time, move ahead with programs to change refining standards, projects which are in full swing, especially at Amuay and El Palito.

According to reports, the investment program--appropriation for which is different from those for the production program or budget--for the four companies is as follows:

LAGOVEN	3.7 billion bolivars
MARAVEN	1.8 billion bolivars
MENEVEN	1.5 billion bolivars
CORPOVEN	1.5 billion bolivars
Total	8.5 billion bolivars

A report of LAGOVEN operations indicates that this year the company will continue its offshore and onshore exploration program and will step up its research and development projects in the Orinoco Oil Belt in southern Monagas. The project to modify refining standards at the Amuay Refinery will go on stream this year, since it should be ready by mid-1983. The El Palito project, which CORPOVEN is carrying out, will be ready in mid-1981. The Amuay project will cost over 3.5 billion bolivars, and the El Palito project about 1.7 billion bolivars. MARAVEN concluded its first project to change the refining standard in Cardon, permitting an increase of 14,000 barrels of gasoline a day at the Cardon Refinery, which is owned by Maraven. Elsewhere, this company will step up its exploration programs in Zulia and also on the continental shelf.

LAGOVEN and MARAVEN are both carrying out an extensive program of explorations in the Orinoco Oil Belt, as well as in the Cretaceous formations in Zulia State, where both companies have been successful in their test wells. These operations will be intensified this year in order to, together with MENEVEN and CORPOVEN, meet the government's guidelines on the urgent need to increase proven production potential (up to 2.8 million barrels a day), preferably of the light and medium crudes.

In conclusion, the report indicated that the 8.5 billion bolivars allocated for the four subsidiaries is actually the Investment Budget approved by the Venezuelan Petroleum Company for 1980, noting that it is the largest amount ever approved for investments for a calendar year in the Venezuelan petroleum sector.

Reserves To Be Increased

Caracas EL NACIONAL in Spanish 28 Dec 79 p D-7

[Text] The 1980 petroleum industry budget will be over 23 billion bolivars for investment and operations, according to an announcement yesterday by Humberto Calderon Berti, Minister of Energy and Mines.

At the conclusion of the regular meeting of the Venezuelan Petroleum Company [PETROVEN], which he presided over as head of Energy and Mines, Calderon Berti reported to newsmen on the industry budget for the coming year. It approved for the first time by the PEDEVESA [Petroleos de Venezuela, S.A.] stockholders meeting, in accordance with the change in the statutes.

He said that the investment budget will be 12.572 billion bilivars, of which 8.5 billion will be spent by the industry during 1980.

Eleven billion bolivars were approved for operations, explorations received the largest amount, with a total of 1.297 billion bolivars for exploration in the traditional areas, on the continental shelf and in the Orinoco Oil Belt.

In the Oil Belt, 192 wells will be drilled, and 5 will be drilled offshore, of the total planned for 1980.

Reserves To Be Increased

Minister Calderon Berti announced that 250 million barrels will be added to the petroleum reserves through new discoveries next year, which is the greatest effort by the industry in the past 20 years; another 172 million barrels will be added through expansions, 556 barrels through reexaminations, and 805 million barrels through production.

In 1980, it will be the first time in many years that such a level will be achieved in Venezuelan petroleum reserves, an increase from 18.551 billion barrels on 1 January to 19.424 billion barrels by the end of next year.

Production for 1980 will average 2.2 million barrels, plus 70 million barrels of liquids derived from natural gas.

In reply to a question, Calderon Berti indicated that the oil industry still has the goal of producing 2.8 million barrels a day, but that will be extended over the long term.

Among the projects for which financing was approved yesterday by the regular meeting of PEDEVESA, the minister of Energy and Mines mentioned the liquid extraction plant located near Puerto La Cruz in Anzoategui State, which will need investments of 2.217 billion bolivars, of which 43 million will be spent during the coming year; and a new distribution plant in Caracas, with an investment of 494 million, of which 34 million will be spent in 1980.

Moreover, the meeting approved an entry of 1.268 billion bolivars for the purchase of six new oil tankers to increase the Venezuelan fleet.

Regarding production, the minister mentioned repair work on 1,900 wells in the various petroleum regions.

With regard to new oil prices, Minister Calderon Berti indicated that Venezuela reached levels higher than those reached by OPEC, but the increase would be announced later, "before the end of the year," he said.

8587
CSO: 3010

BRIEFS

AMACURO DELTA OIL EXPLORATION--Capure, Amacuro Delta, 2 Jan (by Ruben Ferrer Rosas)--LAGOVEN is ready to begin a project in the delta channels near this island, according to a report here. "Oil explorations in Capure and Pedernales will be carried out this year, and we are putting the finishing touches on the program," a spokesman for LAGOVEN said. The search for oil in Pedernales goes back almost a century. "In 1880 the Graham Company of Trinidad drilled four wells there," said the spokesman. He added that later Creole Petroleum Corporation, the predecessor of LAGOVEN, also drilled shallow wells. And now? "We will begin explorations on the delta islands, in locations where research has indicated probable petroleum deposits." [Text] [Caracas EL NACIONAL in Spanish 3 Jan 80 p D-5] 8587

CSO: 3010

END

END OF FICHE DATE FILMED

Feb 15, 1980

Jones